1. CALL TO ORDER & OPENING COMMENTS
   Mr. Keith Parker, Rector

2. PRESIDENT’S REPORT
   Dr. Michael Rao, President

3. APPROVAL OF MINUTES
   July 29, 2020 Joint VCU BOV/VCUHS BOD
   August 26, 2020 Orientation
   Mr. Keith Parker, Rector

4. GOVERNANCE AND COMPENSATION
   Mr. Keith Parker, Rector
   a. ACTION ITEMS,
      RECOMMENDATION FOR:
      i. Governance and Compensation Committee
         Charter, Dashboard and Planner
         Ms. Chelsea Gray, Board Liaison
         and Assistant Secretary
         Mr. H. Benson Dendy, III, Vice
         Rector
   b. CLOSED SESSION – Freedom of Information
      Act Sections 2.2-3711 (A) (1), (8), (23)
      i. President Rao’s 2020-2021
         Performance Goals
         Dr. Michael Rao, President
      ii. Presidential Review
         Mr. H. Benson Dendy, III, Vice
         Rector
      iii. Faculty Tenure Appointments, Changes
           in Status and Other Personnel Actions
           Dr. Michael Rao, President
   c. RETURN TO OPEN SESSION
      AND CERTIFICATION
      Resolution and Certification
      Action Item:
      Mr. H. Benson Dendy, III, Vice
      Rector
Approval of items discussed in closed session if necessary

5. INTERCOLLEGIATE ATHLETICS

a. Title IX Report

   Mr. Ed McLaughlin, Vice President and Director of Athletics

b. CLOSED SESSION - *Freedom of Information*
   Act Sections 2.2-3711(A) (3) specifically:
   i. Athletic Village

   Mr. Ed McLaughlin, Vice President and Director of Athletics

c. RETURN TO OPEN SESSION AND CERTIFICATION
   Resolution and Certification
   Action Item:
   Approval of items discussed in closed session if necessary

   Mr. Todd Haymore

6. UNIVERSITY RESOURCES

a. INTRODUCTIONS AND WELCOME TO NEW BOARD MEMBERS

   Ms. Carolina Espinal
   Mr. Jay Davenport, Vice President for Development and Alumni Relations

b. GOVERNMENT RELATIONS UPDATE

   Mr. Matthew Conrad, Executive Director of Government Relations
   Ms. Karah Gunther, Executive Director Government Relations and Health Policy

c. PUBLIC RELATIONS AND MARKETING UPDATE

   Ms. Pamela Lepley, Vice President for University Relations

d. DEVELOPMENT AND ALUMNI RELATIONS UPDATE

   Mr. Jay Davenport, Vice President for Development and Alumni Relations

e. CLOSED SESSION – *Freedom of Information*
   Act Sections 2.2-3711 (A) (9)
   i. Named Fund and Spaces Report
   ii. Approved Named Funds Under $50,000
   iii. MIR Campaign Update

   Ms. Carolina Espinal

f. RETURN TO OPEN SESSION AND CERTIFICATION
   Resolution and Certification
   Action Item:

   Ms. Carolina Espinal
Approval of items discussed in closed session if necessary

7. **RECESS**

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8. CALL TO ORDER

9. AUDIT, INTEGRITY AND COMPLIANCE

a. ACTION ITEMS, RECOMMENDATION FOR:

   i. Approval of Audit, Integrity and Compliance Committee Charter and Meeting Planner Update
   ii. Approval of Audit and Compliance Services Department Charter
   iii. Approval of Proposed FY2021 Audit Workplan
   iv. Approval of Proposed FY2021 University Ethics and Compliance Program Initiatives

FOR INFORMATION:

b. AUDITOR OF PUBLIC ACCOUNTS (APA) FY2020 AUDIT UPDATE

   Mr. Mike Reinholtz, Director, Auditor of Public Accounts

   Ms. Jacqueline Kniska, Chief Ethics and Compliance Officer

   Ms. Karen Helderman, Executive Director, Audit and Compliance Services

   i. Audit, Integrity and Compliance Committee Dashboard Measures
   ii. Audit Work Plan Status FY20, ICO Initiatives Status FY20, Staff Credentials, Budget, Audit Survey Results
   iii. Housing Audit Report
   iv. Division of Inclusive Excellence Audit Report
   v. Degree Conferment Audit Report
   vi. Budget Process Part 1 Audit Report
   vii. School of Dentistry Audit Report
   viii. Annual Follow-Up Report
e. CLOSED SESSION - Freedom of Information Act Section 2.2-3711 (A) (7) and (19), specifically:
   i. Audit Reports for Discussion
      Ms. Karen Helderman, Executive Director, Audit and Compliance Services
      Ms. Karen Helderman, Executive Director, Audit and Compliance Services
   ii. Data Security Update
      Mr. Alex Henson, Chief Information Officer
      Mr. Alex Henson, Chief Information Officer
   iii. University Counsel Litigation Update
      Mr. Jake Belue, Associate University Counsel
      Mr. Jake Belue, Associate University Counsel

f. RETURN TO OPEN SESSION AND CERTIFICATION
   Resolution and Certification
   Action Item:
   Approval of items discussed in closed session if necessary
   Dr. Shantaram Talegoankar
   Dr. Shantaram Talegoankar

10. ACADEMIC & HEALTH AFFAIRS
   Mr. Keith Parker, Rector
   Mr. Keith Parker, Rector

   a. ACTION ITEMS, RECOMMENATION FOR:
      Dr. Gail Hackett, Provost and Senior Vice President for Academic Affairs
      Dr. Gail Hackett, Provost and Senior Vice President for Academic Affairs
      Mr. G. Richard Wagoner, Jr. & Ms. Coleen Santa Ana
      Mr. G. Richard Wagoner, Jr. & Ms. Coleen Santa Ana

      i. Technical Changes
         Approval of the reorganization of the Department of Endodontics and the Department of Oral Diagnostic Sciences through a merger to establish the Department of Endodontics and Oral Diagnostic Sciences, School of Dentistry
      ii. Policies
         Approval of the retiring the A&P Faculty Policy
      iii. Academic and Health Affairs Committee Charter (annual)
         Approval of the Academic and Health Affairs Committee Charter

   b. REPORT FROM PROVOST
      Dr. Gail Hackett, Provost and Senior Vice President for Academic Affairs
      Dr. Gail Hackett, Provost and Senior Vice President for Academic Affairs

      i. New AHAC Dashboard
      ii. 2020-21 Priorities

   c. REPORT FROM THE SENIOR VICE PRESIDENT FOR HEALTH SCIENCES/CEO VCU HEALTH
      Dr. Peter Buckley, Interim Senior Vice President for Health Sciences/Interim CEO VCU Health
      Dr. Peter Buckley, Interim Senior Vice President for Health Sciences/Interim CEO VCU Health

   d. PRIORITIES AND INITIATIVES
      Dr. Tomikia LeGrande, Vice
      Dr. Tomikia LeGrande, Vice

      i. Enrollment Report
ii. Re-Envisioning VCU Online

e. CONSTITUENT REPORTS
   i. Student Representatives
      Kristen Richey, Graduate Student Representative
      Elisa Maurice, Undergraduate Student Representative
   
   ii. Faculty Representatives
      Dr. Scott Street, Faculty Senate Board of Visitors Representative
      Dr. Nancy Jallo, alternate and president, VCU Faculty Senate
   
   iii. Staff Representatives
      Saher Randhawa, Staff Senate Board of Visitors Representative, VCU Staff Senate
      Alex McWhorter, alternate, VCU Staff Senate

11. FINANCE, BUDGET & INVESTMENT

   a. ACTION ITEMS,
      RECOMMENDATION FOR:
      i. Approval of Finance, Budget and Investment Committee Charter and Planner
      ii. Approval of Amendment to 2014-2020 Six Year Plan: VCU Parking Deck Restoration

      Ms. Karol Kain Gray, Senior Vice and CFO
      Dr. Meredith Weiss, Vice President for Administration
      Mr. Stuart Siegel

   b. REPORT FROM VICE PRESIDENT FOR ADMINISTRATION
      i. Return to Campus Plan

      Dr. Meredith Weiss, Vice President for Administration

   c. REPORT FROM SENIOR VICE PRESIDENT FOR FINANCE AND BUDGET
      i. VCU Budget Update
      ii. VCU Investment Management Company Report
      iii. SWAM Report
      iv. Treasurer’s Report

      Ms. Karol Kain Gray, Senior Vice President and CFO
d. MISCELLANEOUS REPORTS: Mr. Stuart Siegel
   For Informational Purposes Only:
   i. Sources and Uses Funding FY20
   ii. Revenue and Expense Summary as of June 30, 2020
   iii. VCU Health System and Financial Operations as of June 30, 2020
   iv. Agency Risk Management and Internal Controls Standards (ARMICS)
   v. Board of Visitors Fund Annual Report as of June 30, 2020
   vi. Capital Projects Update

12. LUNCH BREAK

13. VCU MASSEY CANCER CENTER Dr. Robert Winn, Director, VCU Massey Cancer Center

14. MEMORIALS & COMMEMORIATIONS Dr. Aashir Nasim, Vice President of Institutional Equity, Effectiveness and Success
   Mr. Jay Davenport, Vice President for Development and Alumni Relations

15. CLOSED SESSION – Freedom of Information Act Sections 2.2-3711 (A) (9), specifically:
   a. MEMORIALS & COMMEMORATIONS Dr. Michael Rao, President
      Dr. Aashir Nasim, Vice President of Institutional Equity, Effectiveness and Success
      Mr. Jay Davenport, Vice President for Development and Alumni Relations

16. RETURN TO OPEN SESSION AND CERTIFICATION Mr. Keith Parker, Rector
   Resolution and Certification
   Action Item:
   Approval of items discussed in closed session if necessary

17. OTHER BUSINESS Mr. Keith Parker, Rector

18. ADJOURNMENT Mr. Keith Parker, Rector

** The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed.
NOTE: In accordance with the Board’s operating procedures and in compliance with the Virginia Freedom of Information Act, there will be no opportunity for public comment at this meeting.
Welcome University Resources
New Committee Members

- Coleen Santa Ana
- Dr. Tonya Parris-Wilkins
- Shantaram Talegaonkar, M.D.
March 2020 – Present
Crisis Communications Mode

Since March 2020, University Relations has led a team of cross-campuses communicators in 24/7 operations to keep the VCU and VCU Health System community up-to-date on COVID-19 response and reopening plans.

- VCU’s messaging principles: clear, consistent, timely, transparent and relevant communications that address the needs and concerns of community members.
- Communications are managed per VCU emergency protocol: university-wide, high-level messages developed and coordinated by University Relations with units contributing information specific to their audiences. Return messaging and communications assets are established at the university level, with units customizing for their appropriate use.
COVID-19 communications planning

Students left campus for spring break (March) and were ordered not to return (except in certain cases) and teleworking began for the VCU campus after growing concern about the spread of COVID-19. Communications needed to quickly address disseminating information to the 50,000-person campus.

Reactive tactics:

• COVID-19 blog, which eventually became a full-fledged website within a week
• Mass emails/community messages
  – Executive and leadership messages
  – Weekly newsletter
• Generic email account: COVID-19@vcu.edu for general inquiries
• Media relations
• One VCU branding
• #OneVCU videos, photos and social media campaign
• VCU mobile app notifications
VCU Health System | COVID-19 Response

- 92 COVID-19 stories published
- COVID-19 landing page
  COVID-19 landing page provided basic information from ‘what is COVID-19’ to ‘what cancer patients need to know’
  40,993 pageviews
- Reactivation page
  The reactivation page aligned with Phase 2 as elective surgeries resumed, shifting our focus to communicating how we are safely resuming care
  77,458 pageviews
- Google is the main source of traffic, followed by social
COVID-19 messaging performed strongly, especially on Twitter. Students shared concerns, questions.

COVID-19 Tweets had 74% higher impressions; 350% higher engagement; 348% higher retweets; and 500% higher URL clicks compared to average.

**New tactic:** Posting COVID-19 updates and other key university messages to Instagram Stories, a key platform for undergraduates (example at right).

Worked closely with web team to establish consistent graphic/text metadata for optimized social sharing of Covid/Reopening websites.

Developed #OneVCU for messaging inclusive of Monroe Park and MCV Campus/VCU Health experiences.
COVID-19 Issues Management

March - July 2020

- Changes to academic calendar and major operations
- Tuition costs, reimbursements and refunds
- CARES Act
- Graduation cancellation/Virtual commencement
- Facilities - Honors College
- Health surveys
- Confederate monuments, protests and the movement for Black lives (BLM)
- International students
- Course formats for 8200 different sections in online, hybrid and in-person courses formats
- Local school districts closing
- Entry testing

As we continue to face the challenges of COVID-19, we are not alone in seeing rumors and misinformation shared online. Here is what’s spinning in the VCU rumor mill this week along with the clarifying facts.
COVID-19 Response By The Numbers

**Earned Media**
- Over 5.4k news stories/segments on COVID-19 related to VCU/VCU Health from January through June 30, 2020
- 12.4B+ potential reach

**Owned Media**
- 92 +/- VCU News articles related to COVID-19

**Top 5 VCU News stories**
1. What you need to know about Coronavirus - 21,800 views
2. Comparing COVID-19 - 18,302 views
3. Clinical Trial start in March - 14,118 views
4. Gonzalo Bearman interview - 13,184 views
5. When should you go to the dentist during COVID-19 - 10,583 views

**COVID-19 Website/Email Statistics**
(March 1-June 2, 2020)
- Website users: 107,852
- Pageview: 247,323
- Email account: Resolved ~530 inquiries
- Open rate for mass mails: ~45%-50%
- 20% of users referred from social media
Pivot to return communications

Communications goals:

• Build trust and engagement of students, faculty and staff in determining the priorities of a safe return to campus

• Manage expectations: create an understanding and awareness among the university community that we are returning to a “new normal.” Living with COVID will be different than before COVID

• Raise awareness leading to action, acceptance and advocacy of our students, faculty and staff to adhere to safety measures

• Create acceptance and buy-in that we are all in this together to keep ourselves and each other safe. Each of us is responsible to do what is necessary to keep our community safe and enable us to achieve our academic, research and health care goals
Return-to-campus tactics:

- Branding for return - One VCU: Responsible Together
- New [Together website](#) and web content strategy
  - Homepage
- Mass emails/community messages
  - Executive and leadership messages
  - Weekly newsletter
- Generic email account: together@vcu.edu for general inquiries
- University planning documents
- Return video and photography
- Social media content creation, monitoring
- Physical and digital signage
Return communications

Institutional:
- Town halls and information sessions
  - FAQs = more than 1000 questions received in one week alone between three town hall sessions
- Reminders training requirements and other protocols
- Testing details
- Considerations around campus closure

Marketing:
- Videography and photography
  - navigating instructional spaces
  - healthy behaviors
- Social media amplification
Together@VCU Website/Email/Dashboard Statistics

**Website** & Email account June 3-Aug. 31, 2020

- Website users: 124,138
- Pageviews: 407,364
- Email account: Resolved ~970 inquiries
- Open rate for mass mails: ~40%-43%
- 13% of users referred from social media

Dashboard Aug. 20 – Aug. 31

- 144,262 pageviews
Fall 2020 Yield Support

Established marketing rapid response team to work with SEM to secure fall enrollment

- Keep Pursuing Your Goals
  - Multimedia Website developed and promoted via social media to reinforce to students the importance of staying on track to graduate

- Virtual preview days
  - Produced 18 unique videos for schools and colleges that replaced on-site tours
    - Example from the School of Arts
    - Example from School of Medicine Residency Program
  - Videos were sent via email to accepted students
## FY 2021 Metrics Dashboard

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 20 Goal</th>
<th>FY 20 Actual</th>
<th>FY21 Goal</th>
<th>FY21 Actual</th>
<th>% of goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Media Hits*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Tier National Hits</td>
<td>200</td>
<td>243</td>
<td>290</td>
<td>47</td>
<td>16.2%</td>
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<tr>
<td>National Hits</td>
<td>27,500</td>
<td>20,000</td>
<td>20,000</td>
<td>2,175</td>
<td>10.7%</td>
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<tr>
<td>Total Hits</td>
<td>37,000</td>
<td>26,900</td>
<td>29,000</td>
<td>3,844</td>
<td>13.2%</td>
</tr>
<tr>
<td>Earned Media Impressions (in billions)</td>
<td>24.5B</td>
<td>42.3B</td>
<td>53B</td>
<td>12.5B</td>
<td>23.5%</td>
</tr>
<tr>
<td>Media Coverage Tone (positive/neutral/balanced)**</td>
<td>90%</td>
<td>91.5%</td>
<td>92%</td>
<td>86.3%</td>
<td>On track</td>
</tr>
<tr>
<td>Social Media</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCU social media engagement (in millions)</td>
<td>9.8M</td>
<td>10.1M</td>
<td>10.6M</td>
<td>1.4M</td>
<td>14%</td>
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<tr>
<td>MIR Recruitment and Institutional Campaign</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Combined Make It Real and Co-op campaigns paid Impressions (in millions)</td>
<td>101.7M</td>
<td>92M</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

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*Hits/impressions do not include Athletics coverage, except where Athletics became news in itself.

**Percentage of positive and neutral/balanced articles vs. negative.

***New metric for FY 15 – benchmarks to be set.

Definitions: Impressions are the number of times content is displayed. Engagement is the number of interactions people have with content (e.g., likes, comments, shares, retweets, etc.). Followers are subscribers to an individual or institutional social media account. Media hits are content posted by an external/affiliate that is published/broadcast in traditional and social media. Owned media are communications channels under VCU’s central control (VCU-Mark Center).

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**Son donates liver to father in rare live donation**

For the first time at VCU in the park.

---

**Ads Pitching CBD as Cure-All Are Everywhere. Oversight Hasn’t Kept Up.**

---

**Henrico father and son mark first living-donor liver transplant at VCU in 5 years**

---

**VCU poll: Virginians think gun laws should be stricter; are willing to pay more for education**

---

**Working-age Americans dying at higher rates, especially in economically hard-hit states**

By Tiffany J. Wise

A new VCU study identifies “a striking increase in mortality” across the country among working-age adults in recent years. The study examines data from the National Mortality Database, which includes data from all 50 states and the District of Columbia.

---

**Increase in death rate for working-age adults (2010-2017)**

- 18.4% increase in mortality rates among working-age adults
- 14.3% increase in mortality rates among working-age adults in economically hard-hit states
- 10.9% increase in mortality rates among working-age adults in states with lower mortality rates
Goal: optimize conversions
More than 18,000 conversions delivered

- Freshman application conversions
  - In-state: 2,521
  - Out-of-state: 1,595
- Transfer application conversions
  - In-state: 7,754
  - Out-of-state: 2,647
- International application conversions
  - 431
- Join our list conversions
  - In-state: 184
  - Out-of-state: 129
- Register for events conversions
  - In-state: 1,134
  - Out-of-state: 1,536
UR Marketing and SEM partnered this summer to develop and launch a recruitment campaign to drive applications from Richmond area adults with some college but no degree. The campaign utilizes direct mail, digital display, paid search and LinkedIn.

- Campaign started mid-June and runs through October 2020
- Goal: drive conversions to mailing list sign up page, website application page; enroll 50 adult learners for Spring 2021 semester
- 95 conversions as of Aug. 31 (including 40 applications)
FY 21 Undergrad and Awareness Ad Campaign

Theme: Meet this Moment
We see every opportunity to rise to the occasion. It’s these moments that a VCU student welcomes. It’s why we came to VCU — to have the chance to make a difference, to make it real.

Context -- Continuing to be mindful of resources and current events, this body of work illustrates how we might strike a new tone with students and meet them where they are.

Campaign Phase 1 launched Sept. 7

Goals/Metrics
- In-state -- Maintain current market share
- In-state/influencer -- Improve overall brand reputation
- Out-of-State -- Expand general awareness and increase market share
# Current FY Giving Summary

**Fiscal Year:** July 1 to June 30

<table>
<thead>
<tr>
<th>Gift Type</th>
<th>Current FY</th>
<th>Same Time Last Year</th>
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<tbody>
<tr>
<td></td>
<td>Dollars Raised</td>
<td>Donor Count</td>
</tr>
<tr>
<td>Cash, Undocumented Realized Bequests, In Kind Gifts and Pledges</td>
<td>$4,051,254</td>
<td>2,780</td>
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<tr>
<td>Planned Gifts - Revocable</td>
<td>$3,806,165</td>
<td>10</td>
</tr>
<tr>
<td>Planned Gifts - Irrevocable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Philanthropic Grants</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total NGP Progress by Gift Type</strong></td>
<td>$7,857,419</td>
<td>2,788</td>
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</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Dollars Raised</th>
<th>Donor Count</th>
<th>Dollars Raised</th>
<th>Donor Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni</td>
<td>$5,196,163</td>
<td>655</td>
<td>$1,760,310</td>
<td>1,002</td>
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<tr>
<td>Friends</td>
<td>$1,485,098</td>
<td>1,710</td>
<td>$2,362,569</td>
<td>1,970</td>
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<tr>
<td>Corporations</td>
<td>$624,439</td>
<td>105</td>
<td>$404,304</td>
<td>159</td>
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<tr>
<td>Foundations</td>
<td>$397,472</td>
<td>52</td>
<td>$3,062,740</td>
<td>65</td>
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<tr>
<td>Other</td>
<td>$154,247</td>
<td>49</td>
<td>$1,403,282</td>
<td>73</td>
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<tr>
<td><strong>Total NGP Progress by Source</strong></td>
<td>$7,857,419</td>
<td>2,788</td>
<td>$8,993,205</td>
<td>3,592</td>
</tr>
</tbody>
</table>
Five Priorities

- Maintain Fundraising Momentum
- Expand Alumni Engagement
- Continue Advancement Sophistication
- Plan Next Campaign
- Continue to Build Culture of Philanthropy
Response to COVID-19

- **VCU COVID-19 Response Fund** provides unrestricted resources to help VCU Health address evolving critical needs related to the COVID-19 pandemic, including support for clinical trials, treatments, research, patient care and more.

- **VCU Student Life and Learning Fund** provides unrestricted funding to help students navigate an array of challenges caused by the current public health crisis as well as other circumstances that arise.
Fundraising Strategies During COVID-19

- Fundraiser portfolio reviews for solicitation management
- Prospecting through EverTrue and discovery pool
- Visits via Zoom going well with limited face-to-face interactions
- Greater focus on annual giving and planned giving asks
- Employing solicitation management strategies for increased gift closure
Board of Visitors
Audit, Integrity and Compliance

September 18, 2020
AIC Committee Charter and Meeting Planner

- Annual review of the Committee Charter and Meeting Planner

  Charter item IV.C.6. & Meeting Planner items A.5. and G.2. –
  
  ✓ Adds qualifying language re: closed meetings are to be conducted consistent with state laws (FOIA)
  
  ✓ Changes executive session to closed session with limited university staff present, subject to committee’s discretion
  
  ✓ Sets December meeting to review risk appetite
3-Year Risk Assessment Process

Year 1
2019

Activities Performed:
• Assess available data by auditable unit
• Extensive personnel interviews
• Compute assessment score by auditable entity

Factors Assessed:
Financial resources
Number of employees
Special reviews performed

Year 2
2020

Activities Performed:
• Email or electronic updates with key personnel
• Update assessment score based on completed work schedule

Activities Performed:
• Review of risks identified and captured during Year 2
• Consideration of industry risks
• Update assessment score based on completed work

Factors Assessed:
Complexity of operations
Number of students
ERM and compliance risks
Management concerns

Year 3
2021

Operational changes
Date since last audit
Industry risks
# Proposed FY21 Audit Work Plan

<table>
<thead>
<tr>
<th>ENGAGEMENT TYPE</th>
<th>FY 2021</th>
</tr>
</thead>
</table>
| Risk-based Audits and Other Reviews          | Grants and Contracts  
  Office of Research and Innovation – Integrity and Compliance  
  Procurement and Payment  
  Federal/State Compliance Regulations  
  VCU Life Sciences  
  Social Media  
  School of Medicine  
  Outside Professional Activities  
  ERM Risk                                                                 |
| Information Technology                       | Active Directory Management and Server Ransomware Controls  
  VCU Jobs and Cornerstone Application System  
  Identity Access Management System  
  Remote Learning and Work Security                                                                 |
| Annual Engagements                           | President’s Discretionary Fund – FY20  
  Police Evidence Room – twice a year  
  Follow-up on Outstanding Recommendations  
  Risk Assessment                                                                 |
Proposed 2021 Audit Work Plan

Risk-based Audits & Other Reviews  5,550

Annual Audits/Projects  1,650
(President’s discretionary account, police evidence room, follow-ups, risk assessment)

Other Projects  2,500
(Management requests, special projects, investigations, workpaper system)

Total Hours  9,700
FY2021 Ethics and Compliance Initiatives

• Continue Effectiveness Report's Response Plan
• Enhance Conflicts of Interest Program
• Participate in International Activity space given increased government scrutiny
  • Develop ethics and Compliance role-based training for those involved in inquiry and investigation activities
    – Develop policy for workplace investigations
• Provide risk-based policy updates to leadership
• Continued progress on universitywide compliance dashboard
Auditor of Public Accounts (APA)
FY2020 Financial Audit Update

• APA audit team and resources
• Audit timing
• Timeline of audit completion
• Audit objectives
• Audit scope
• Discussion of risk
The Governing Authority shall be knowledgeable of and exercise reasonable oversight with respect to the implementation and effectiveness of the ethics and compliance program.

The organization shall take reasonable steps to communicate… its standards and procedures and other aspects of the program to [the governing authority]…
E&C Program Elements + Assessing Risk

Federal Sentencing Guidelines

ECI’s Blue Ribbon Report, 5 Principles of High Quality Programs

PRINCIPLE 1
STRATEGY: Ethics & Compliance is central to business strategy

PRINCIPLE 2
RISK MANAGEMENT: Ethics & Compliance risks are identified, owned, managed, and mitigated

PRINCIPLE 3
CULTURE: Leaders at all levels across the organization build and sustain a culture of integrity

PRINCIPLE 4
SPEAKING UP: The organization encourages, protects, and values the reporting of concerns and suspected wrongdoing

PRINCIPLE 5
ACCOUNTABILITY: The organization takes action and holds itself accountable when wrongdoing occurs
More specifically, DOJ is now looking at the program's:

- **there is no static perfect state** - expect continuous improvement - tailor and evolve
- autonomy and resources – **Chief Ethics and Compliance Officers are resourced and empowered to be effective**; specifically oversight, structure, **strategy and decision making inclusion**, reporting lines, outsourcing any compliance functions
- senior and middle management commitment **what is tolerated, encouraged and impeded**; encouraging speak up behavior with appropriate and consistent response to reports
- access and enforcement of policies - **making changes based on lessons learned**; what persists in **competing interests**; **documenting the why for decision points**
- **risk tailored resource allocation**; **documenting the why for the decision, even the contemporaneous why for your risk based decisions**
- form, content and effectiveness of training
- investigation process and response - includes **qualifications to address, duration and monitoring, resources and tracking of results**
- consistent use of incentives and disciplinary measures
- use of internal audit
- measuring the culture
- **third party management**, including tracking those screened out or terminated

NEW: June and July 2020 DOJ and SEC new commentary in Gold throughout
...fundamentally, breaks down into three main buckets that we can use to evaluate and strengthen our program.
Ethics & Compliance Programs

Must be reasonably designed *and* effective

Critical to consider maturity points and risk profile
VCU’s Ethics and Compliance Program

see also Board Effect Reading Room Items:
Slide Deck *Program Overview for AICCC Members*

Relevant Articles covering Key Elements and Best Practices; Compliance as a Strategy; Cost of Compliance

Past VCU Program Reports including Effectiveness Report - Ethisphere; Annual Initiatives; Annual Reports (prior years); Culture Surveys
Item 6: Integrity and Compliance Annual Report

Monitoring designed for continuous improvement and to prevent and detect misconduct

- Current Landscape (National and VCU)
- Data-Driven Internal Early Warning System Results
How do we get notice and information?

Reports by Intake Method
Excluding Performance Management

Open Door 76%
Web 21%
Phone 3%

Including performance management data

Open Door 82%
Web 15%
Phone 3%
Breakdown of Reports to All Trusted Advisors Based on Independence

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports to Independent Option – ICO</td>
<td>81</td>
<td>62</td>
<td>84</td>
<td>79</td>
</tr>
<tr>
<td>Reports to Independent Option – Internal Audit</td>
<td>7</td>
<td>11</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Reports to Management Option – Compliance Partners</td>
<td>185</td>
<td>292</td>
<td>326</td>
<td>281</td>
</tr>
<tr>
<td>Total Reports</td>
<td>273</td>
<td>365</td>
<td>416</td>
<td>366</td>
</tr>
<tr>
<td>% Reported to Audit and Compliance Services – as the only structurally independent option</td>
<td>32%</td>
<td>20%</td>
<td>22%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Oversight & Independence remain culturally relevant

Substantiation Rate FY 2020 [All]

Substantiation Rate FY 2020 [Excluding Performance Management]
## Program Results against Benchmarking Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020 Navex Global Survey</th>
<th>FY 2020 Convercent Benchmark</th>
<th>VCU Internal Benchmark</th>
<th>FY 2020 Data (All / Excludes Performance Management)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases per 100 employees</td>
<td>2.0 (Median)</td>
<td>3.73</td>
<td>3.02</td>
<td>3.13 (all)</td>
</tr>
<tr>
<td>Anonymous Reports</td>
<td>59%</td>
<td>39%</td>
<td>13%</td>
<td>16% / 21%</td>
</tr>
<tr>
<td>Direct Contact Reports vs Helpline Reports</td>
<td>43%</td>
<td>9%</td>
<td>80%</td>
<td>82% / 76%</td>
</tr>
<tr>
<td>Substantiation Rate</td>
<td>43%</td>
<td>39%</td>
<td>62%</td>
<td>61% / 49%</td>
</tr>
<tr>
<td>Most Common Allegation Type</td>
<td>Human Resources – 65%</td>
<td>Not available</td>
<td>Human Resources – 67%</td>
<td>Human Resources – 63% / 48%</td>
</tr>
<tr>
<td>Concerns of Retaliation</td>
<td>1.10%</td>
<td>Not available</td>
<td>4%</td>
<td>3% / 4%</td>
</tr>
</tbody>
</table>
Program Results

Universitywide Reported Concerns - Employee Behavior

- **COVID-19 Ramp-Down, Closure and Limitations March - June**
Program Results - Excluding Performance Management Matters

Universitywide Reported Concerns - Employee Behavior

- Total number reported concerns: 366
- Number of reported concerns, excluding performance management: 256
- Total reports universitywide from FY2019: 12%

Severity:
- Low: 235
- Medium: 116
- High: 1

Total Number of Reported Concerns by Fiscal Year:
- FY2017: 366
- FY2018: 365
- FY2019: 416
- FY2020: 273

Reporter Anonymity:
- Anonymous: 21%
- Not Anonymous: 79%

Overall Substantiation Rate:
- Unsubstantiated: 24%
- Substantiated: 58%
- Partially Substantiated: 3%
- Other: 15%
Program Results – Annualized, where possible

Annualized Universitywide Reported Concerns - Employee Behavior

381 Annualized total reported concerns
8% Annualized total Reports Universitywide From FY2019

105 Annualized reports to the ICO, as the independent option
25% Increase from FY2019

Anonymity Rate by Comparison
- Global Benchmark Average - 49%
- VCU Internal Benchmark - 13%
- FY2019 - 15%* (excluding performance management)
### Critical/High Severity Concerns

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 total cases</td>
<td></td>
</tr>
<tr>
<td>8 closed cases</td>
<td></td>
</tr>
<tr>
<td>4 cases substantiated</td>
<td></td>
</tr>
<tr>
<td>1 terminations</td>
<td></td>
</tr>
<tr>
<td>2 written warnings</td>
<td></td>
</tr>
<tr>
<td>1 resignation</td>
<td></td>
</tr>
</tbody>
</table>

#### Substantiated Issue Types
- Falsification/Fabrication of Documents/Records or Data
- Health or Safety/Security Concerns [2]
- Waste, Misuse or Theft of Resources

- 50% substantiation rate (with six cases in progress) at FY end
- Increase from FY19 - eight reports were rated as high severity with a 75% substantiation rate

![Bar chart showing open cases at end of fiscal year](image)

Areas to watch through more frequent monitoring.
NEW - Advanced Reporting Capability: Real time line of sight
Compliance Advisory Committee

Fosters a culture of ethics and compliance and contributes to program effectiveness by:

- leading by example;
- bringing awareness to ethics and compliance initiatives;
- monitoring and continually assessing requirements and risks in respective disciplines;
- promoting ethical behavior; and
- sharing information and best practices.

Integrate with Internal Audit
Board Member Feedback Wanted
Continued Awareness and Support In -

Fulfilling your duties

Coordination to position ethics and compliance as central to business strategy

Sharing strategies and practices you’ve experienced
Continuous Feedback Loop, specifically, your thoughts on:

- Criteria for escalation of matters to AICC or to full Board of Visitors
- Insights into reported concerns and interest disclosures
- Regular reports and meeting planner
- Dashboard development

Your Expertise

- What do you feel you don't have reasonable oversight of?
- What have we missed?
- How can we enhance?
- What have you seen work well at other organizations?
- How can we avoid pitfalls you've experienced?
Committee Dashboard Measures

- Data Governance Program
- Data Security
- ERM Mitigation Plans
- Planned Audits
- Planned Special Projects
- Ethics and Compliance Program Oversight
Executive Director Update

• ACS budget estimated at $1.7 million – 4% reduction
• ACS maintains a well-qualified staff
• FY20 audit work plan and compliance program initiatives nearly complete; some delays due to staffing shortage and COVID disruption
• Response to Ethisphere recommended Compliance Program enhancements underway
• FY20 audit survey results show improvement over FY19 from 3.45/4.0 to 3.51/4.0
Housing Audit Report

Housing is an auxiliary enterprise and is expected to be self-supporting, i.e. generate enough revenue to pay its expenses and maintain reserves for future repairs and renovations.

<table>
<thead>
<tr>
<th>Housing Operations (000’s)</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>YTD May 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 36,333</td>
<td>$ 31,410</td>
<td>$ 31,509</td>
<td>$ 32,490</td>
<td>$ 25,168</td>
</tr>
<tr>
<td>Less Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>3,230</td>
<td>3,574</td>
<td>5,003</td>
<td>5,598</td>
<td>4,453</td>
</tr>
<tr>
<td>Non-Personnel – See Note A</td>
<td>15,372</td>
<td>12,128</td>
<td>16,134</td>
<td>14,934</td>
<td>10,762</td>
</tr>
<tr>
<td>Debt Service</td>
<td>11,505</td>
<td>11,741</td>
<td>11,778</td>
<td>12,307</td>
<td>12,011</td>
</tr>
<tr>
<td>Other Transfers – Net – See Note A</td>
<td>3,318</td>
<td>3,676</td>
<td>(491)</td>
<td>2,022</td>
<td>635</td>
</tr>
<tr>
<td>Subtotal</td>
<td>33,425</td>
<td>31,119</td>
<td>32,424</td>
<td>34,861</td>
<td>27,861</td>
</tr>
<tr>
<td>Net prior to Contributions</td>
<td>$ 2,908</td>
<td>$ 291</td>
<td>$(915)</td>
<td>$(2,371)</td>
<td>$(2,693)</td>
</tr>
<tr>
<td>Less Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LLP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>931</td>
<td>931</td>
<td>931</td>
<td>931</td>
<td>931</td>
</tr>
<tr>
<td>Net Increases (Decreases) to Reserves</td>
<td>$ 1,977</td>
<td>$(640)</td>
<td>$(1,846)</td>
<td>$(4,302)</td>
<td>$(4,624)</td>
</tr>
</tbody>
</table>
Housing Audit Report

• One Board level finding:
  ✓ forecast contained errors
  ✓ reserve balances were not adequate

Pre-COVID Reserve

![Graph showing forecasted reserve balances (000's) versus reserve requirement. The graph displays a decline in reserve balances from FY16 to FY20, followed by stabilization from FY21 onwards.](image-url)
Housing Audit Report

Effect of COVID-19: $6.8 million refunded to students offset by targeted cuts and deferral of $5 million in repairs and renovations, resulting in $1.3 million less than forecasted reserves for FY20.

Post-COVID Reserve
Inclusive Excellence Audit Report

• Audit performed at request of VP for Diversity and Equity
• Focused on adequacy of fiscal and administrative processes and effectiveness of resource oversight
• Concludes that resources oversight was effective; however, fiscal and administrative processes were not adequate
• Report includes one Board level finding which recommends that the VP recruit a fiscal staff to replace one who separated employment or find another reasonable alternative
Degree Conferment Audit Report

• Audit determined that:
  ✓ Only earned diplomas were awarded
  ✓ Degree Works includes adequate security controls

• Report includes one Board level finding which recommends that the University Registrar require dual department approvals before entering course exceptions/substitutions into the student’s academic record.
Budget Process and School of Dentistry Audit Reports

• Audit found that Budget Offices processes were satisfactory for the university

• Audit found that the School of Dentistry operations were adequate and managed effectively

• No Board level findings
Follow-Up on Outstanding Audit Recommendations

• One past due Board level recommendation involving School of Dentistry IT physical access management. Some progress made with plan to complete by December 2020.

• Four past due Management level findings.
  – Two within the College of Humanities and Sciences involving records management and reconciliations. Some progress made with plan to complete by January 2021.
  – Two within the School of Arts in Qatar involving reconciliations and IT vulnerability assessments and scans. Revised due dates are February 2021 and December 2020 respectively.
AUDIT AND COMPLIANCE SERVICES CHARTER

VIRGINIA COMMONWEALTH UNIVERSITY and
VCU HEALTH SYSTEM

Virginia Commonwealth University (university) and VCU Health System Authority (health system) maintain comprehensive and effective internal audit and compliance programs. The objective of Audit and Compliance Services (“department”) is to assist members of the Board of Visitors, Board of Directors, and management in the effective performance of their responsibilities. The department fulfills this objective by providing independent and impartial examinations, investigations, evaluations, counsel, and recommendations for the areas and activities reviewed.

**Scope of Work**

The scope of the department’s work is to determine whether the university’s and health system’s risk management, internal control, governance, and compliance processes, as designed and represented by management, are adequate and functioning in a manner to provide reasonable assurance that:

- Risks are appropriately identified and managed
- Control processes are adequate and functioning as intended
- Significant, financial, managerial, and operating information is accurate, reliable, and timely
- An effective university compliance program is maintained to provide guidance and resources, in an oversight role, for all educational, research, and athletic compliance programs to optimize ethical and compliant behavior
- An effective health system compliance program is implemented to further the health system’s mission, vision, and values by promoting a culture of compliance, and preventing, correcting, and investigating issues through education, monitoring, and enforcement
- An effective program of information technology (IT) management and security is maintained by management to ensure health system and university IT and data assets are properly secured, integrity protected, available as needed and kept confidential as required by applicable policies laws and regulations
- Employees’ actions are in compliance with the respective codes of conduct, policies, standards, procedures, and applicable laws and regulations
- Resources are used efficiently and are adequately protected
- Program plans and objectives are achieved
- Significant legislative and regulatory issues impacting the university and health system are recognized and appropriately addressed
Opportunities for improving management controls, accountability, fiscal performance and compliance processes, and for protecting organizational reputation will be addressed with the appropriate level of management when identified.

**Accountability**

The Executive Director of Audit and Compliance Services shall be accountable to the Board of Visitors, through the Audit, Integrity, and Compliance Committee, and the Board of Directors, through the Audit and Compliance Committee, to maintain comprehensive and professional internal audit and compliance programs. In fulfilling those responsibilities, the Executive Director will:

- Establish annual goals and objectives for the department, and report periodically on the status of those efforts.
- Execute the annual work plans and initiatives.
- Coordinate efforts with other control and monitoring functions (risk management, financial officers, campus police, university counsel and health system general counsel, external auditors, government reviewers, etc.).
- Report significant issues related to the department’s scope of work, including potential improvements, and continue to provide information about those issues through resolution.
- Provide updates to the respective board committees, the university president, and the chief executive officer of the health system on the status of the work plans and initiatives, qualifications of staff, and sufficiency of department resources.

**Independence and Objectivity**

All work will be conducted in an objective and independent manner. Staff will maintain an impartial attitude in selecting and evaluating information and in reporting results. Independence in fact and appearance enables unbiased judgments that are essential to the proper conduct of the department’s scope of work.

To provide an appropriate reporting structure to support independence, the Executive Director shall report to the Audit, Integrity, and Compliance Committee of the Board of Visitors and to the Audit and Compliance Committee of the Board of Directors. The Executive Director shall report administratively to the university’s President.

**Responsibility**

The department will assist the Board of Visitors, Board of Directors, and management by:

- Maintaining a professional staff with sufficient knowledge, skills, and experience to fulfill the requirements of this charter.
• Developing and executing annual and long-range risk-based work plans and initiatives. The plans and initiatives will be submitted to management for review and comment and to the respective board committee for approval. The department recognizes that one of the primary benefits of these programs is the ability to respond to issues that arise during the normal course of business. Accordingly, the annual plans shall include time for management requests and special projects.

• Participating in an advisory capacity in the planning, development, implementation, or change of significant compliance and control processes or systems. The Executive Director shall ensure that the level of participation in these projects does not affect the department’s responsibility for future evaluation of evaluating these processes or systems nor compromise its independence.

• Conducting or assisting in the investigation of any suspected fraudulent activities, misconduct, or non-compliance issues, and notifying management and the respective board committees of the results.

• Issuing periodic reports to management and the respective board committees summarizing the results of the department’s activities.

• Considering the scope of work of the external auditors, as appropriate, to provide optimal audit coverage to the university and health system at a reasonable overall cost.

• Reporting at least annually to the Board of Visitors, Board of Directors, and senior management on the department’s purpose, authority, responsibility, and performance relative to its plans and initiatives, and on its conformance to standards and best practices. Reporting should also include significant risk exposures and control issues, corporate governance issues, serious misconduct or non-compliance, and other matters needed or requested by the Board and senior management.

**Authority**

The department and its staff are authorized to:

• Have unrestricted access to all activities, records, property, and personnel. Receive cooperation from all university and health system personnel and affiliates.

• Have full access to the respective board committee.

• Allocate departmental resources, set audit and review frequencies, determine scopes of work, and apply the techniques necessary to accomplish objectives.

• Obtain the necessary assistance of personnel in departments when performing work plans and initiatives, as well as that of other specialists.

The department and its staff are not authorized to:

• Perform operational duties in interim status, or otherwise, unless authorized in advance by the respective board committee.

• Initiate or approve accounting transactions external to the department.
Standards of Practice

The department will conduct its scope of work in accordance with requirements and best practices as established by relevant authoritative and objective sources from industry and government.

For internal audit functions, this includes both mandatory and recommended guidance from the Institute of Internal Auditors International Professional Practices Framework. The mandatory guidance requires our department to conform with the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, Code of Ethics, and *International Standards for the Professional Practice of Internal Auditing (Standards)*. Internal auditing is an independent, objective assurance, and consulting activity designed to add value and improve an organization’s operations. Our department will help the university and health system accomplish its objectives by bringing a systematic, disciplined, and risk-based approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

For maintaining effective compliance programs, standards of practice are driven by the guidance provided in Chapter 8 of the Federal Sentencing Guidelines as promulgated by the US Sentencing Commission. The main focus of an effective program is to prevent and detect misconduct, remedy harm when identified, self-report where applicable, and maintain due diligence in promoting an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

For the health system compliance program, guidance by the Health Care Compliance Association is also included. This organization sets the standard for professional values and ethics in the health care compliance field.

Quality Assurance and Improvement Program

The department will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. This program will be designed to:

- evaluate internal audit’s conformance with the *Standards* and application of the Code of Ethics;
- assess the efficiency and effectiveness of the department; and
- identify opportunities for improvement.

The quality program includes both internal and external assessments. Internal assessments will include ongoing monitoring and periodic assessments of internal audit activity. An external assessment will be performed at least once every five years by qualified individuals who are independent of the internal audit function.
Virginia Commonwealth University  
Board of Visitors  
Audit, Integrity and Compliance Committee Meeting Planner

<table>
<thead>
<tr>
<th>A = Annually; Q = Quarterly; AN = As Necessary</th>
<th>Frequency</th>
<th>Planned Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)</td>
<td>A Q AN</td>
<td>Q1 Q2 Q3 Q4</td>
</tr>
<tr>
<td></td>
<td>Sep Dec Mar May</td>
<td></td>
</tr>
</tbody>
</table>

### A. General

1. **Review and update Audit, Integrity, and Compliance Committee charter and meeting planner**
   - X
   - X
   - X
   - X

2a. **Approve minutes of previous meeting**
   - X
   - X
   - X
   - X
   - X

2b. **Maintain minutes of meetings**
   - X
   - X
   - X
   - X
   - X

3. **Authorize investigations into any matters within the Committee’s scope of responsibilities**
   - X

4. **Report Committee actions to the Board of Visitors with recommendations deemed appropriate**
   - X
   - X
   - X
   - X
   - X

5. **Consistent with state laws, meet in executive closed session with only the external auditors, and/or the Executive Director of Audit and Compliance Services, and named individuals.**
   - X
   - X
   - X
   - X
   - X

6. **Review and approve the Audit and Compliance Services budget and resource plan.**
   - X
   - X

7. **Review and approve Audit and Compliance Services charter**
   - X
   - X

### B. Internal Controls/Financial Statements

1. **Review and evaluate university’s process for assessing significant risks and exposures**
   - X
   - X

2. **Make inquiries of management concerning the effectiveness of the university’s system of internal controls**
   - X

3. **Review management’s written responses to significant findings and recommendations of the auditors, including the timetable to correct the weaknesses in the internal control system**
   - X

4. **Advise management that they are expected to provide a timely analysis of significant current financial reporting issues and practices**
   - X
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Planned Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Q</td>
</tr>
<tr>
<td>Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)</td>
<td>Sep</td>
</tr>
<tr>
<td>A</td>
<td>Q</td>
</tr>
</tbody>
</table>

### C. External Auditors

1. Meet with external auditors and university management to review the scope of the external audit for the current year
   - Frequency: A
   - Planned Timing: X
2. Discuss with the external auditors their processes for identifying and responding to key audit and internal control risks
   - Frequency: Q
   - Planned Timing: X
3. Advise the external auditors that they are expected to provide a timely analysis of significant financial reporting issues and practices
   - Frequency: AN
   - Planned Timing: X
4. Review the coordination of internal and external audit procedures to promote an effective use of resources and ensure complete and efficient coverage of the university’s risks
   - Frequency: Q
   - Planned Timing: X
5. Meet with the external auditors at the completion of the audit and make inquiries concerning the effectiveness of the university’s system of internal controls.
   - Frequency: Q
   - Planned Timing: X
6. Determine whether the external auditors are satisfied with the disclosure and content of the financial statements, including the nature and extent of any significant changes in accounting principles
   - Frequency: Q
   - Planned Timing: X

### D. Internal Auditors

1. Review and approve the annual audit and management services work plan and any significant changes to the plan
   - Frequency: A
   - Planned Timing: X
2. Require Audit and Compliance Services to perform annual reviews of the president’s discretionary accounts and to issue a report thereon to the Committee
   - Frequency: Q
   - Planned Timing: X
3. Review the qualifications of the audit and management services staff, the adequacy of the staffing level
   - Frequency: AN
   - Planned Timing: X
<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Planned Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)</td>
<td>A</td>
<td>Q</td>
</tr>
<tr>
<td>4. Assess the effectiveness of the internal audit function, including its independence and reporting relationships and conformance with the Definition of Internal Auditing, Core Principles, the IIA Code of Ethics and the <em>International Standards for Professional Practice of Internal Auditing</em> by inquiring and reviewing the assessment results of the internal and external Quality Assurance and Improvement Program</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>5. Review completed audit reports and progress reports on executing the approved work plan and inquire of any other matters that require audit resources</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>6. Review annually the status of previously issued internal audit findings</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>7. Inquire of the Executive Director of Audit and Compliance Services regarding any difficulties encountered in the course of his audits, including any restrictions on the scope of work or access to required information</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>8. Review the performance of the Executive Director in consultation with the President and approve the Executive Director’s annual salary compensation and bonus, if any.</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>9. Review and approve the appointment, replacement, reassignment, or dismissal of the Executive Director of Audit and Compliance Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### E. Data Integrity

#### 1. Review the adequacy of the university's IT management methodology with regards to internal controls, including applications, systems, and infrastructure. This includes but is not limited to:
- Physical and virtual security with regards to university servers and storage
- Network security architecture and operations
- Reliability and robustness of data center (servers and storage) and network infrastructure environments
- Disaster recovery and business continuity infrastructure and associated processes and procedures | | X | X | X |
### F. University Ethics and Compliance Program

1. Review the annual compliance planned initiatives and any significant changes to the plan
   - Frequency: Annually
   - Planned Timing: X

2. Review the qualifications of the compliance staff and the level of staffing (utilization and effort focus)
   - Frequency: Annually
   - Planned Timing: X

3. Assess the effectiveness of the compliance program, including its independence and reporting relationships
   - Frequency: Annually
   - Planned Timing: X

4. Review completed compliance reports and progress reports on the status of compliance and integrity related activities including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts)
   - Frequency: Annually
   - Planned Timing: X

5. Require the Integrity and Compliance Office to report on management’s processes and procedures that provide assurance that the university’s mission, values, and codes of conduct and universitywide policies are properly communicated to all employees
   - Frequency: Annually
   - Planned Timing: X

6. Review results of compliance reviews to ensure system and controls are designed to reasonably ensure compliance with laws and regulations, university policies and the code of conduct
   - Frequency: Annually
   - Planned Timing: X

7. Inquire of the Executive Director of Audit and Compliance Services whether there have been any restrictions on the scope of work or access to required information in conducting compliance and ethics reviews
   - Frequency: Annually
   - Planned Timing: X

### G. Enterprise Risk Management

1. Provide oversight of the university’s Enterprise Risk Management program
   - Frequency: Annually
   - Planned Timing: X

2. Review the university’s risk appetite
   - Frequency: Annually
   - Planned Timing: X

---

A = Annually; Q = Quarterly; AN = As Necessary

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Planned Timing</th>
</tr>
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<tbody>
<tr>
<td>A</td>
<td>Q</td>
</tr>
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<td></td>
<td>Sep</td>
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</table>

- **2.** Review the adequacy of the university’s data management policies and procedures to ensure data security and data integrity in institutional reporting. This includes but is not limited to:
  - Authentication and authorization mechanisms in accessing university data
  - Data Governance structure and policies
  - Data security policies including data access roles and responsibilities

- **F. University Ethics and Compliance Program**
  - 1. Review the annual compliance planned initiatives and any significant changes to the plan
  - 2. Review the qualifications of the compliance staff and the level of staffing (utilization and effort focus)
  - 3. Assess the effectiveness of the compliance program, including its independence and reporting relationships
  - 4. Review completed compliance reports and progress reports on the status of compliance and integrity related activities including process and plans in place to assess conflict of interest management (inclusive of institutional and individual conflicts)
  - 5. Require the Integrity and Compliance Office to report on management’s processes and procedures that provide assurance that the university’s mission, values, and codes of conduct and universitywide policies are properly communicated to all employees
  - 6. Review results of compliance reviews to ensure system and controls are designed to reasonably ensure compliance with laws and regulations, university policies and the code of conduct
  - 7. Inquire of the Executive Director of Audit and Compliance Services whether there have been any restrictions on the scope of work or access to required information in conducting compliance and ethics reviews

- **G. Enterprise Risk Management**
  - 1. Provide oversight of the university’s Enterprise Risk Management program
  - 2. Review the university’s risk appetite
<table>
<thead>
<tr>
<th>A = Annually; Q = Quarterly; AN = As Necessary</th>
<th>Frequency</th>
<th>Planned Timing</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>A</td>
<td>Q</td>
</tr>
<tr>
<td>3. Require periodic reporting on the overall program’s design and effectiveness, including newly identified risks</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4. Monitor progress of risk mitigation plans and review policy and resource improvements as necessary</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td><strong>H. Legal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Consult as necessary with University Counsel regarding legal issues concerning the university</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Virginia Commonwealth University (university) and VCU Health System Authority (health system) maintain comprehensive and effective internal audit and compliance programs. The objective of Audit and Compliance Services (“department”) is to assist members of the Board of Visitors, Board of Directors, and management in the effective performance of their responsibilities. The department fulfills this objective by providing independent and impartial examinations, investigations, evaluations, counsel, and recommendations for the areas and activities reviewed.

Scope of Work

The scope of the department’s work is to determine whether the university’s and health system's risk management, internal control, governance, and compliance processes, as designed and represented by management, are adequate and functioning in a manner to provide reasonable assurance that:

- Risks are appropriately identified and managed
- Control processes are adequate and functioning as intended
- Significant, financial, managerial, and operating information is accurate, reliable, and timely
- An effective university compliance program is maintained to provide guidance and resources, in an oversight role, for all educational, research, and athletic compliance programs to optimize ethical and compliant behavior
- An effective health system compliance program is implemented to further the health system's mission, vision, and values by promoting a culture of compliance, and preventing, correcting, and investigating issues through education, monitoring, and enforcement
- An effective program of information technology (IT) management and security is maintained by management to ensure health system and university IT and data assets are properly secured, integrity protected, available as needed and kept confidential as required by applicable policies laws and regulations
- Employees’ actions are in compliance with the respective codes of conduct, policies, standards, procedures, and applicable laws and regulations
- Resources are used efficiently and are adequately protected
- Program plans and objectives are achieved
- Significant legislative and regulatory issues impacting the university and health system are recognized and appropriately addressed
Opportunities for improving management controls, accountability, fiscal performance and compliance processes, and for protecting organizational reputation will be addressed with the appropriate level of management when identified.

**Accountability**

The Executive Director of Audit and Compliance Services shall be accountable to the Board of Visitors, through the Audit, Integrity, and Compliance Committee, and the Board of Directors, through the Audit and Compliance Committee, to maintain comprehensive and professional internal audit and compliance programs. In fulfilling those responsibilities, the Executive Director will:

- Establish annual goals and objectives for the department, and report periodically on the status of those efforts.
- Execute the annual work plans and initiatives.
- Coordinate efforts with other control and monitoring functions (risk management, financial officers, campus police, university counsel and health system general counsel, external auditors, government reviewers, etc.).
- Report significant issues related to the department’s scope of work, including potential improvements, and continue to provide information about those issues through resolution.
- Provide updates to the respective board committees, the university president, and the chief executive officer of the health system on the status of the work plans and initiatives, qualifications of staff, and sufficiency of department resources.

**Independence and Objectivity**

All work will be conducted in an objective and independent manner. Staff will maintain an impartial attitude in selecting and evaluating information and in reporting results. Independence in fact and appearance enables unbiased judgments that are essential to the proper conduct of the department’s scope of work.

To provide an appropriate reporting structure to support independence, the Executive Director shall report to the Audit, Integrity, and Compliance Committee of the Board of Visitors and to the Audit and Compliance Committee of the Board of Directors. The Executive Director shall report administratively to the university’s President.

**Responsibility**

The department will assist the Board of Visitors, Board of Directors, and management by:

- Maintaining a professional staff with sufficient knowledge, skills, and experience to fulfill the requirements of this charter.
• Developing and executing annual and long-range risk-based work plans and initiatives. The plans and initiatives will be submitted to management for review and comment and to the respective board committee for approval. The department recognizes that one of the primary benefits of these programs is the ability to respond to issues that arise during the normal course of business. Accordingly, the annual plans shall include time for management requests and special projects.

• Participating in an advisory capacity in the planning, development, implementation, or change of significant compliance and control processes or systems. The Executive Director shall ensure that the level of participation in these projects does not affect the department’s responsibility for future evaluation of evaluating these processes or systems nor compromise its independence.

• Conducting or assisting in the investigation of any suspected fraudulent activities, misconduct, or non-compliance issues, and notifying management and the respective board committees of the results.

• Issuing periodic reports to management and the respective board committees summarizing the results of the department’s activities.

• Considering the scope of work of the external auditors, as appropriate, to provide optimal audit coverage to the university and health system at a reasonable overall cost.

• Reporting at least annually to the Board of Visitors, Board of Directors, and senior management on the department’s purpose, authority, responsibility, and performance relative to its plans and initiatives, and on its conformance to standards and best practices. Reporting should also include significant risk exposures and control issues, corporate governance issues, serious misconduct or non-compliance, and other matters needed or requested by the Board and senior management.

Authority

The department and its staff are authorized to:

• Have unrestricted access to all activities, records, property, and personnel. Receive cooperation from all university and health system personnel and affiliates.

• Have full access to the respective board committee.

• Allocate departmental resources, set audit and review frequencies, determine scopes of work, and apply the techniques necessary to accomplish objectives.

• Obtain the necessary assistance of personnel in departments when performing work plans and initiatives, as well as that of other specialists.

The department and its staff are not authorized to:

• Perform operational duties in interim status, or otherwise, unless authorized in advance by the respective board committee.

• Initiate or approve accounting transactions external to the department.
**Standards of Practice**

The department will conduct its scope of work in accordance with requirements and best practices as established by relevant authoritative and objective sources from industry and government.

For internal audit functions, this includes both mandatory and recommended guidance from the Institute of Internal Auditors International Professional Practices Framework. The mandatory guidance requires our department to conform with the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, Code of Ethics, and *International Standards for the Professional Practice of Internal Auditing (Standards)*. Internal auditing is an independent, objective assurance, and consulting activity designed to add value and improve an organization’s operations. Our department will help the university and health system accomplish its objectives by bringing a systematic, disciplined, and risk-based approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

For maintaining effective compliance programs, standards of practice are driven by the guidance provided in Chapter 8 of the Federal Sentencing Guidelines as promulgated by the US Sentencing Commission. The main focus of an effective program is to prevent and detect misconduct, remedy harm when identified, self-report where applicable, and maintain due diligence in promoting an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

For the health system compliance program, guidance by the Health Care Compliance Association is also included. This organization sets the standard for professional values and ethics in the health care compliance field.

**Quality Assurance and Improvement Program**

The department will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. This program will be designed to:

- evaluate internal audit’s conformance with the *Standards* and application of the Code of Ethics;
- assess the efficiency and effectiveness of the department; and
- identify opportunities for improvement.

The quality program includes both internal and external assessments. Internal assessments will include ongoing monitoring and periodic assessments of internal audit activity. An external assessment will be performed at least once every five years by qualified individuals who are independent of the internal audit function.
Audit and Compliance Services
Audit and Management Services
2021 Audit Work Plan

Below are brief descriptions of the materials provided to the Audit, Integrity and Compliance Committee for the purpose of reviewing and approving the university's annual audit work plan. Audit and Management Services (AMS) performed an in-depth risk assessment for fiscal years 2019 through 2021 where a three-year audit work plan was developed as a guide for the majority of the risk based audits but allows for adjustments depending upon industry identified risks and university needs. We are beginning the third year of this audit work plan.

COSO Internal Control and Enterprise Risk Management (ERM) Frameworks
The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is an industry standard model for assessing risks and internal controls in both the public and private business sectors. The COSO Internal Control Framework cube represents the various business objectives and control components within an organization. The 17 principles provide guidance to implement the five components of internal control.

The ERM Framework is an expansion of the COSO Cube. It further details the risk management activities including risk event identification, prevention and response planning. Additionally, it depicts a wider array of risks, including compliance, strategic, operational, financial and reputational risks. During the creation of the annual audit work plan, there is coordination between these models to identify risks and potential areas to be audited.

Financial Magnitude
AMS reviewed the financial impact of 10 major functional areas within the university. These areas include significant funding sources, expense drivers and information technology infrastructure (see table below). The financial magnitude along with the COSO, ERM and industry risks are evaluated when determining the audits and projects for the audit work plan.

Three-Year Audit Work Plan
During spring of 2018, AMS performed in-depth (deep dive) audit risk assessments for both the university operations and information technology (IT). Both assessments included an extensive analysis of risk factors and interviews with key administrators and were combined at the end of the assessment process to represent a three-year audit work plan or cycle for the university. The three-year (FY19-21) plan was developed to provide audit coverage of the most significant risks or units that have a periodic audit requirement. For the third year (FY21) of this three-year plan, AMS has evaluated whether operational changes or additional risks have been identified which would result in revisions to the audit work plan.

Proposed Audit Work Plan
The proposed audit work plan is developed based on the annual risk assessment procedures and discussions with senior management prior to being provided to the AICCC committee for review and to the full board of approval.
Virginia Commonwealth University  
Financial Magnitude  
for Fiscal Year 2018 (unaudited)

Note: This schedule represents data obtained from various university personnel. In an effort to reduce interruption to such personnel during their response to COVID-19, no requests were to update this schedule. Consequently, FY 2018 is presented below.

<table>
<thead>
<tr>
<th>AREA</th>
<th>FINANCIAL MAGNITUDE</th>
<th>OPERATIONAL CONSIDERATIONS/IMPACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment</td>
<td>$ 491,793,106 Tuition and fees revenue, including portion paid by financial aid</td>
<td>Enrollment Management, including recruitment and retention of students</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>$ 188,513,920 expenditures</td>
<td>Variety and complexity of compliance issues</td>
</tr>
<tr>
<td></td>
<td>$ 271,022,724 total awards</td>
<td></td>
</tr>
<tr>
<td>Financial Aid</td>
<td>$ 362,222,630 (federal, state and institutional aid)</td>
<td>Complexity of compliance issues</td>
</tr>
<tr>
<td>Changing Nature and Amounts of Funding Sources</td>
<td>$ 231,600,317 State Appropriations</td>
<td>Sources of significant funding and the changing levels of support; impact on university initiatives and credit rating</td>
</tr>
<tr>
<td>Information Technology Infrastructure (Core Data Services)</td>
<td>$ 23,499,152</td>
<td>Administrative information technology and academic information technology</td>
</tr>
<tr>
<td>Athletics</td>
<td>$ 34,608,626</td>
<td>Compliance with NCAA regulations; potential impacts on institutional reputation</td>
</tr>
<tr>
<td>Payroll</td>
<td>$ 536,256,518</td>
<td>Largest category of annual expenses (salaries, wages, benefits)</td>
</tr>
<tr>
<td>Procurement Services</td>
<td>$ 367,717,894</td>
<td>State &amp; university statutory &amp; policy requirements</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>$ 1,148,644,987 capital assets</td>
<td>Emergency preparedness, physical security, deferred maintenance, contract management, environmental health and safety issues, hazardous substances, and renovations</td>
</tr>
<tr>
<td>Treasury Services / Cash Management</td>
<td>$ 495,160,000</td>
<td>Daily cash flow demands and investment of longer term funds</td>
</tr>
</tbody>
</table>
FY 2021 Ethics and Compliance Program Risk Based Initiatives

Each year, initiatives are selected, or mature, in order to reduce potential wrongdoing, increase the likelihood that when wrongdoing does occur it will be made known to management and increase the likelihood that VCU will responsibly handle suspected and substantiated wrongdoing, thus preserving the public’s trust and the integrity and reputation of a responsible university.

Maintenance of VCU’s Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission’s Sentencing Guidelines, Chapter 8, which provide the basic and necessary minimum elements of an effective Ethics and Compliance Program; it is also driven by our own mission and values reflected in our Code of Conduct and university policies; sound business sense; risk acceptance and the needs of the organization. Continually playing an integral role in setting and upholding accountability within VCU’s culture and overall risk mitigation processes, the Compliance and Ethics Program provides advisory resources to all departments; reporting mechanisms to all employees, students and visitors; and regularly solicits interactions from a cross section of stakeholders helping progression and monitoring of ethics and compliance based activities. Based on providing these services throughout FY 2020, the initiatives for FY 2021 reflect a balance of capacity, prioritization and where a devotion of additional resources is necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. Most of the topics below traverse multiple years due to the scope and size of the efforts. Year over year progress is made and any obstacles to these plans are shared with the Audit, Integrity and Compliance Committee of the Board of Visitors as the university’s governing authority.

Note: These activities reflect known data points and information established from the collaborative relationships with Ethics and Compliance Partners and other key stakeholders.

FY 2021 Initiatives:

Continue providing the BOV and Senior Leadership (as applicable) timely reports of successes; efficiencies; challenges; obstacles; and violations of ethics and compliance matters. Consider formal resolutions for program requirements and organizational need. More specifically focused on:

Effectiveness Review of Ethics and Compliance Program

- Maintain progression and updates to response plan from Ethisphere’s findings and recommendations – includes cooperation and collaboration with compliance partners and key stakeholders
- Complete self-assessment and results comparison with the national Ethics and Compliance Initiative cohort and industry leading practices

Integrity and Compliance Office Reporting to BOV Audit, Integrity and Compliance Committee
- Bolster issues and events reporting with enhanced analytics insights and benchmarking from central case management platform; solicit and incorporate stakeholder input; establish frequency of reports
- Finalize program insights reports and the dashboard’s format - includes ethics and compliance metrics informing maturity ratings; solicit input; and establish risk appetite – working toward standardized quarterly or biennial reporting

**COI Program Enhancement** - Enhancements are needed regarding policy approval, consistent use of electronic solution for disclosures and management plans; in particular, compliance with more than 10 federal regulations, accreditation standards, and best practices in organizational governance, risk, and ethics and compliance industries. Utilization of an enhanced process of interest reporting contributes to both the Board and the departmental charter compliance by providing required assurances to the Audit, Integrity and Compliance Committee of the BOV.

- Fully implement policy and software solution for disclosing interests and managing conflicts
- Creation and execution of training to topic, policy requirements, electronic system and role
  - School and unit level employees reviewing, clearing and mitigating conflicts
  - Institutional Ethics and Compliance Committee Members
- Continue guidance responding to disclosures and proactive avoidance inquiries or response to disclosed institutional conflicts and conflicts of commitment - includes role based training
- Continue as Commonwealth’s liaison for mandated state disclosures and training

**Employee Ethics and Compliance Training and Accountability**
- Execute training to broader audience and oversee functional or operational compliance program plan development by applicable compliance partners
- Provide risk identification and assessment training to applicable compliance partners
  - establish accountability process for assessment results and integration into ERM
- Integrate ethics related actions and other positive ethics incentives into performance evaluations - initial phase, pilot cohort
- Execute annual employee compliance training – includes reflexive content based on initial assessment of knowledge base accompanied by role and duration of employment
- Develop and conduct role-based training for managers: Anti-retaliation
- Continue in person participation in new employee orientations and new chair training / development; online content delivery; and other custom requests to individual units

**Gap and Risk Assessment Activities & Response**
- Continue oversight of case handling for all reported concerns for efficient, consistent and coordinated institution response
- Continue quarterly oversight monitoring for timely compliance reporting through responsible parties outlined in Compliance Calendar: Federal Regulatory Reporting Requirements
● Support unique compliance needs in the university’s areas of international activity, health care activity; and other elevated risks - reinforced with policy creation and revision
● Formalize internal workplace investigation standards through policy approval
● Identify risk owners for enhancing third party programs (volunteers, visiting scholars, vendors, etc…) - explore decentralized risk and accountability model and centralization feasibility for identification; screening; tracking and reporting
● Reconstitute Compliance Advisory Committee and begin Senior Leadership Level Committee to review and respond to advanced ethics and compliance metrics geared toward effectiveness and risk ownership, management and intelligence based on established maturity model ratings

**Government Relations Non-Routine Visits**: Continue independent oversight and support to university community in preparation for, and in response to, regulator inquiries, reviews and investigations

**Policy Program – for all universitywide policies**
● Create methodology to measure and manage effectiveness of existing policies
● Recommend and oversee policy development to address identified risks
● Continue universitywide quarterly updates: seminal policy changes, reminders and tips for compliance
● Continue gap assessment based on size, scope and complexity of university, and industry trends and standards
● Continue support in policy creation, drafting, revision and required governance processes

**Continued Participation and Resource Support and Guidance** to various ethics and compliance-oriented groups and committees
● National Prominence - Contributing member for think tank partnership with Ethisphere to create Higher Ed cohort data comparisons of plans; and contributing member in national university compliance leaders group
● State Prominence - E&C work in Higher Education cohorts: contributing member to state-specific cohort; founding member for public school-specific cohort
● Continue serving as the second line of defense support to all operations units with VCU
● Work toward being utilized as a strategic business partner
● Participation and leadership provided to over 15 universitywide committees and taskforces
● Active memberships and participation with external groups – Society of Corporate Compliance and Ethics – Higher Education Section and General Section; Ethics and Compliance Initiative; Association of College and University Policy Administrators
● The commitment to internal staff development remains as well as support for maintaining current industry certifications
● Internal workplace investigations
  ○ Oversight of alleged misconduct reports / non-compliance Issues
  ○ Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise
- State Regulatory Coordinator (liaison to Commonwealth for VCU)
- Agency Coordinator for Conflict of Interest Disclosures to the Commonwealth

As a reminder, this committee receives a status update of FY20 Initiatives along with these proposed Initiatives for FY21 at the May 2020 meeting and receives the FY20 Integrity and Compliance Annual Report at the September 2020 BOV Meeting.

The anticipated effect of providing the upcoming fiscal year’s Program Initiatives at the May Meeting, and the Annual Report at the September Meeting, is to assure existing mechanisms keep this committee abreast of efforts demonstrating effectiveness of the Ethics and Compliance Program.

This committee has been deemed, through enacted Charter, to be the appropriate authority to oversee the Ethics and Compliance Program. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Chief Ethics and Compliance Officer.
Virginia Commonwealth University  
Audit, Integrity and Compliance Committee  
Entrance Conference  
September 18, 2020  

1. **Discussion of APA audit team and resources**  
   Project Manager – J. Michael Reinholtz (mike.reinholtz@apa.virginia.gov)  
   In-Charge – Chuck Schauvliege (chuck.schauvliege@apa.virginia.gov)  
   Information Security – Kristina Kemp (kristina.kemp@apa.virginia.gov)  

2. **Audit timing** – Our Office’s workplan requires completion of the Universities that are material to the Commonwealth’s CAFR (UVA, VT, and VCU) in the fall of each year.  

3. **Timeline of the audit completion** – We will begin control and transaction testing in the late spring and will complete substantive testing during the fall. We will also test the consolidation of the VCU Health System Authority and Foundations’ financial information as part of the University financial statement audit process. Our anticipated deadline is November 2020.  

4. **Audit objectives** – Our main audit objective is to provide an opinion on the University’s financial statements. More specifically, our audit objectives include:  
   - Ensuring the financial statements present fairly the financial position, the changes in financial position, and the cash flows for the period under examination in conformity with accounting principles generally accepted in the United States;  
   - Determining whether the University has adequate internal control over financial reporting sufficient to mitigate the risk of material misstatements; and,  
   - Determining compliance with significant laws, grants, and provisions of contract agreements.  

5. **Statewide single audit support** – During the audit, we will also be auditing the federal research and development programs (Office of Sponsored Programs) to support our statewide single audit. Detailed compliance and control audit work in this area is performed based on a statewide cycle.  

6. **Audit scope** – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the University. We will issue a report on internal controls and compliance that will include any findings or recommendations that we identify as a result of the audit.  

7. **Discussion of Risk with Board Members** – The APA encourages the Board of Visitors to provide input regarding the risks they perceive to the University in completing its mission. Board members can direct their questions and comments to the APA Project Manager, or to the Executive Director of Audit and Compliance Services. During the audit we plan to communicate directly with the Audit Committee Chair to discuss the following:  
   - Any areas of fraud risk  
   - Any areas of institutional risk  
   - Any matters that the Board believes should be considered in planning
Required Communications with the Board

Responsibilities during the audit process:

- The Auditor’s (APA) Responsibilities
  - Overall Audit Objectives
    The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards for financial audits contained in the Government Auditing Standards. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
  - Audit Procedures-General
    An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable, rather than absolute assurance, about whether the financial statements are free of material misstatement whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.
    Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards.
  - Audit Procedures-Internal Control and Compliance
    Our audit will include obtaining an understanding of internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate in writing to management and those charged with governance any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants
  - Those charged with governance
    We are responsible for communicating significant matters related to the financial statement audit that are, in the auditor’s professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. GAAS do not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance.
• **Management’s Responsibilities**

Our audit will be conducted on the basis that Management and those charged with governance acknowledge and understand that they have the following responsibilities:

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Identify and ensure compliance with applicable laws, regulations, contracts, and grant agreements
- Informing the APA about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements
- Informing the APA (and others as required by the Code of Virginia § 30-138) of knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, regulators, or others
- As received, forward copies of each federal audit performed on institution programs or activities to the Auditor of Public Accounts as required by Chapter 836 § 4-8.02 a. of the 2017 Virginia Acts of Assembly.
- Informing the APA of any potential documents that are FOIA exempt
- Ensuring that management is reliable and financial information is reliable and properly recorded
- Making all financial records and related information available to the APA
- Providing the APA with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence
- Responding to audit findings and recommendations, as well as providing planned corrective actions and the timing and format for providing that information
- Providing the APA at the end of the audit with a written letter confirming certain representations made during the audit
- Adjusting the financial statements to correct material misstatements and providing the APA with a representation that the effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

• **Audit, Integrity and Compliance Committee**

- Communicate with APA about audit scope
- Communicate with management and internal audit regarding progress
- Receive reports and findings from management and external audit

*Other Elements of the audit process:*

• **Overall planned scope of the audit**

  - Approach to internal control – We review internal controls to identify those areas where we can replace substantive testing with transactional testing. We look for management to have written formal policies and procedures and check for the implementation of those procedures.
- **Concept of materiality** – We do not review all transactions or accounts in detail. We use materiality to focus our work on those financial statement line items and those transactions that are material or significant to the University.

- **Identification of potential fraud risks**
  - **Approach to fraud** – Most of our audit is focused on our opinion on the financial statements and materiality. Our primary interest related to fraud would be in how it may affect the financial statements and those controls that the financial statements rely upon. The audit is not designed to detect error or fraud that is immaterial to the financial statements. However, we review policies and procedures for fraud risk and may direct our testwork towards addressing fraud risk.
  
  - **Responsibility for identifying fraud risks and fraud** – Auditing standards require us to assess fraud risk, interview management and staff about their knowledge of fraud and fraud risk, and review exceptions for indications of possible fraudulent transactions. Auditors should be looking for red flag fraud indicators. Even though government entities are not always profit oriented, the auditors remain vigilant about financial statement fraud.

  - **Report fraudulent transactions as required by Code of Virginia § 30-138** Agencies are responsible for reporting circumstances that suggest a reasonable possibility that a fraudulent transaction has occurred involving funds or property under their control, where an officer or employee of the state or local government may be involved. Items should be reported to the Auditor of Public Accounts, the State Inspector General, and the Superintendent of State Police.

- **Audit Reporting**
  - We will issue a written report upon completion of our audit of the University’s financial statements. We will make reference to the Component Auditor’s audit of the Virginia Commonwealth Health System Authority, and the University’s Foundations in our report on the University’s financial statements. Our report will be addressed to the Board of Visitors of the University. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph(s). If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

  - We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
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Introduction and the Year-in-Review

Welcome to the Annual Report of VCU’s Integrity and Compliance Efforts for fiscal year (FY) 2020. Since the creation of this report in 2012, the goal has been to provide information to the Board and broader university community related to the impact of VCU’s Ethics and Compliance Program and provide highlights of external ethics and compliance events related to higher education. Building on a solid foundation, the program is modeled and supported by various regulatory drivers, industry best practices, and, at its core, rooted in the minimal requirements from Chapter 8 of the Federal Sentencing Guidelines (FSG). Benefitting from the work of a well-established and trusted compliance partner network along with Presidential and Board level support, the program is available to all and helps inform decision making. Highlights herein showcase universitywide integrity and compliance activities and outcomes geared toward maintaining a community prepared to live our values and, when necessary, identify, call out or report suspected wrongdoing and appropriately address misconduct when substantiated.

The purpose of this report is two-fold.

- To support the Board in fulfilling its obligation as the university’s governing authority by providing the information needed on aspects of the university’s integrity and compliance activities. This charge comes from widely accepted governance practices and more directly from the Federal Sentencing Guidelines and is addressed with the following language, “[The] Governing authority shall be knowledgeable of and exercise reasonable oversight with respect to the implementation and effectiveness of the ethics and compliance program”.

- To assist with transparency, integrity and commitment throughout the university, as related to ethics and compliance matters. By this report collecting and analyzing the prior year’s activities and outcomes, management is provided with relevant and timely information that assist with defining and measuring our culture of ethics and compliance.

These activities and outcomes are reported on because it is important to keep awareness high through communications around the information established from collected data. This report serves as a supplement to the established quarterly Board reporting occurring throughout the year. This permits, and thereby promotes, more discussion time during Board meetings -- as is also expected by the FSG:

*The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the ethics and compliance program, to the individuals referred to in a subparagraph (B) [the governing authority] by conducting effective training programs and otherwise disseminating information appropriate to such individuals’ respective roles and responsibilities.*
Current Landscape and Industry Trends

This year, the ethics and compliance profession remained active both in the regulatory compliance space and in the ethical treatment of individuals’ arena. The industry had much to examine through the federal government’s activities, public demand for accountability and changes in response to the unanticipated and unprecedented COVID-19 pandemic. The full impact of COVID-19 on the compliance industry may not be known for quite some time; however, relevant and timely reports to the Board of Visitors (BOV) will continue as needed throughout FY21. Aside from COVID-19, the public demand for transparency, accountability and commitment to change centered on social justice; providing fertile ground for organizations to examine an ethical approach to expectations and effectiveness directly impacting individuals. Given the attention garnered by ethics and compliance professional associations and others to date, this will likely remain an area of further study for the industry in FY21.

Throughout the year Ethics and Compliance Officers remained focused as the Department of Justice (DOJ) again updated their guidance for evaluation of compliance programs, which along with multiple publications, recognized the ethics and compliance function as a value to be considered central to business strategy. DOJ also provided clarity around programs and compliance officers being resourced and empowered to function effectively. DOJ plainly stated that there is no rigid formula for effectiveness and “…size, industry, geographic footprint, regulatory landscape, and other factors, both internal and external to the company’s operations that might impact its compliance program.” The three questions the government is to ask, before assessing whether an effective program should receive credit in the form of reducing an organization’s culpability score, were clearly stated as:

1. “Is the corporation’s compliance program well designed?”
2. “Is the program being applied earnestly and in good faith?” In other words, is the program adequately resourced and empowered to function effectively?
3. “Does the corporation’s compliance program work” in practice?

This long awaited, formalized clarity for the ethics and compliance community, in combination with the routine factors affecting ethics and compliance programs, helps focus the profession and function on actively adapting and fine-tuning to federal expectations for the third time in the last four years. VCU’s program monitors and adapts to these expectations in order to keep the program in a position of strength to demonstrate effectiveness. Below are highlights that put this report in the context of the ethics and compliance landscape within a broader sense and attuned to higher education, specifically.

From the regulatory front, changes, new emergency regulations and additional guidance at the federal and state levels responding to COVID-19’s impact required significant attention across all industries. Specifically affecting the higher education industry were regulations and guidance focused on employment, research administration, student travel, web accessibility, privacy of student records, et cetera. As colleges and universities moved operations to virtual work and instruction, web accessibility and accommodations were again revisited.

Despite the attention COVID-19 required, business as usual was expected by constituents and the federal government remained exceptionally active in its impact on higher education. Universities experienced increased scrutiny on nearly every aspect related to:
• international affairs;
• changes to Section 117 reporting details (related to foreign funds in American universities) were accompanied by formal investigations into multiple universities for their international dealings;
• tracking and planning for proposed changes to Title IX’s prohibited sexual misconduct requirements; and,
• an intense coordination demand at the state and federal level related to Title IV state authorization and reciprocity at the state level for long coming compliance requirements.

Related highlights include:

• Section 117: an expansion of the type of financial information now required in reporting from foreign sources (gifts to foundations);
• Title IX: the scope of qualifying complaints requiring investigation as Title IX matters narrowed and changed the way colleges and university conduct hearings;
• State authorization for the purposes of Title IV eligibility changed how institutions determine student location for state authorization and reciprocity agreement purposes, given a lack of uniformity in how states define the term “resides.” Now, all programs must list the states where the program meets, does not meet, or no determination has been made on whether the program meets licensure requirements in each state. Institutions must also disclose when a program does not meet licensure requirements in a state where a student is located.

Resulting from these regulatory changes and other events throughout the year, is the demand for relationship transparency, commitment and integrity expectations permeating all activities for all organizations. Stakeholder expectations continue to climb and the interconnectedness of nearly everything requires a diligent, intentional and thoughtful approach.

Closer to Home: Inside VCU

This cycle, even with increased attention on the national scale relating to undue foreign influence, the varied regulatory compliance requirements, and responding to unanticipated and uncontrollable external influences, VCU’s compliance and ethics community kept a solid pace of accomplishment and engagement while testing their range of adaptation and agility skills. The Global Education Office, Human Resources, Environmental Health and Safety, complex or COVID-related research activities and those involved in distributing CARES Act funds found themselves most disrupted in their previously planned annual work. Becoming much more on the front lines of real time response, these areas took the challenges, new and old, in stride to continue on as efficiently as possible.

Broadly speaking, throughout the year, compliance partner relations indicated a willingness to improve in areas of need even with limited resources. Required reporting outputs and the conclusions drawn from data analysis remain steady. Additional Compliance Advisory Meetings were held as well as email check-ins and one on one meetings with Integrity and Compliance Office (ICO) staff to ensure support and effective communication and prioritization of institutional commitment and obligations. VCU continues to assess and improve practices for a stronger values-based culture of ethics and compliance.
Student voices and the voices of our surrounding community continued to call for action related to social justice and the ethical treatment of others. Fiscal year 2020 proved fertile for values and ethics-based opportunities. Multiple efforts have centered on safety and wellness; to highlight a few, President Rao announced a charge to transition our public safety model from policing our community to equitably and more holistically fostering the safety and well-being of every individual on our campuses through a series of targeted reforms and community involvement. VCU will forge a new transdisciplinary model for campus safety and wellness with the goal of addressing and promoting health equity under former Chief of Police, John Venuti, as he resumes the Chief role to lead this charge. This cycle also saw a clear demand that our student constituents receive assurances that university leadership remain open to scrutiny and accountability around curriculum choices and university decision making, many of which related to social justice related themes, topics and initiatives. This gave rise to an empowered Interim Chief Diversity Officer for the Health Sciences campus, Dr. Kevin Harris; providing allotted time and effort to commit to affecting change with the students and university leaders, as the situation requires. This was brought to the attention of leadership by an active student engagement movement and reinforces the trend spotted years prior, that ethics and compliance programs in higher education were beginning to envelop more student-impact issues.

Commitments to relationship and transactional transparency and integrity remained dominant, providing a promise for ethics and compliance with our values and institutional polices to be reviewed, and improved in light of matters that are and should be central to business strategy. These challenging times in the international space brought about many opportunities for organizations to display true commitment and accountability to values and ethics based decision making and rise above those choosing to do otherwise. Terms like “undue foreign influence” and “academic espionage” loomed large this cycle; keeping relationships and potential for individual and institutional conflicts of interest and commitment relevant. Scrutiny from federal government’s interest, by way of Title IV funding conditions, in improper foreign and domestic influence provides an opportunity to assess commitments to relationship transparency and international activities. Efforts to update resources and bring awareness to this issue took place this year through two values and compliance focused groups discussing all dynamics of this topic and maintaining VCU’s global approach to supporting academic freedom as reflected in all employee communications from the Provost and VP of Research, and in annual compliance training.

VCU has matured this year into further examining the data and information gleaned from monitoring reported concerns. A shift in this report is noted by separating out performance management related data within the reported concerns content to determine how this highly productive area with significant documentation improvements over the last three years might affect overall institutional information. These distinctions are noted throughout the Reported Concerns Section but do not indicate significant differences. The largest difference was seen in benchmarking, wherein VCU becomes more aligned with national benchmarking data as opposed to looking significantly better after removing performance management type concerns.

Additionally, a few more annual notables at VCU include:

- The demands on student disability units significantly increased for a third consecutive year, while resources to address this demand remained steady on the health sciences campus but decreased on the Monroe Park campus. This remains an area to watch given the hiring freeze and return to campus under unusual circumstances.
• All-employee annual compliance training completion rate is at 93% for core employees (sans part-time and student workers) and at 99% for those deemed in a position of trust for annual interest disclosure purposes

• Policy maintenance still requires attention with 40% of policies remaining out of date

• Interest disclosures and assessments for conflicts of interest and commitment hit an all-time best by having 99% of selected individuals complete their interest disclosure questionnaire in a central electronic system housed in the Integrity and Compliance Office; additionally, similar NCAA required reporting is now overseen through this system; pilots continue in administrative and academic units along with conflict management plan training
  o for the second year, all conflicts of interest inquiries were raised in a proactive, guidance seeking, capacity, meaning before the transaction was committed to or completed

• Examination and analysis of reported concerns data provided two significant opportunities this year. One, to annualize data, where possible, accounting for the COVID-19 disruption; and two, to compare to data when excluding HR employee performance related matters.

• Over 360 reported concerns received consistent treatment and severity ratings
  o more often than not, reports were made directly to the appropriate office having expert staff charged with addressing the matter
  o matters raised through the Helpline were re-routed within 1 business day almost 100% of the time

• The substantiation rate is at an all-time high at 66% for substantiated and at 72% when including partially substantiated outcomes

• For the second year running, all substantiated allegations were responded to with some form of discipline and all discipline was documented in the centralized system

• The anonymity rate when reporting misconduct remains consistently low compared to industry peers but elevated by VCU standards and is something to watch when looking at the result of annualized data:
  o this year’s rate was slightly elevated to 16%, from a record low of 10% in the prior year
  o when annualized, data indicates anonymity rates of 19% for all reports, and 28% when excluding strictly HR performance management issues

• Risk assessment activities included reviews for state compliance status attestations; required policies and ongoing compliance trainings.

These highlights demonstrate continuing program improvements within VCU’s already existing Speak-Up-Listen-Up culture. Additional data supported details and conclusions are contained in the Reported Concerns Analytics and Benchmarks section and support the narrative of effective training. Training is an opportunity to bring clarity to VCU’s expectations and available resources and to enhance accuracy in issue spotting.
These are the selected highlights for a year in review as it is not practically feasible to cover all contributions and accomplishments in an introduction or within a single report. The remainder of this report covers more compliance program detail as to specific topics and impacts on VCU for FY20. Please share comments or questions with the Executive Director of Audit and Compliance Services, or the University’s Chief Ethics and Compliance Officer, or ucompliance@vcu.edu.
Reported Concerns Analytics and Benchmarks

Each year, enhancements are made to the maturity of the data analysis around reported concerns. This year, the impact of COVID-19 on employee conduct and behavior metrics yielded inspiration to examine data from new angles and consider it against peer group benchmarks. VCU has reached new heights with Human Resources’ efficiencies, related to performance management data in the ethics and compliance platform software system. This prompted two pathways in which data driven metrics were analyzed this year:

1. all reported concerns of employee behavior that did not meet expectations; and,
2. the reported concerns in the first path, but excluding performance management related reports.

The objective in splitting and comparing data was to determine whether data quantities from HR’s efficiencies skewed VCU data related to allegations of misconduct and the results of this approach are noted throughout this report. It is important to note that HR addresses staff behavior matters only. Faculty matters are included in the university-wide system.

Also, to demonstrate the impact of COVID-19, where possible, select data points are provided from an annualized perspective using a timeframe of July 1, 2019 through February 2020. These unprecedented circumstances create a challenge comparing metrics from FY20 with FY19; therefore, this report conveys the usual overall data analysis and takes into consideration when data may have been skewed by these anomalous months by citing annualized data points. Studying these changes helps identify trends prior to, and after, the COVID-19 disruption. The ICO continues monitoring for associated patterns and practices of misconduct despite the disruption.

Undoubtedly, the COVID-19 disruption marked an interesting trend nationwide in the reporting of concerns. Nationally, the time period of March - June was of note, averaging an overall 24% decrease in reports made. At VCU, there was a significant reporting decrease of 46% during this time. Interestingly, a majority of VCU’s reports are about in-person events wherein human to human contact takes place and runs afoul of university expectations of professional conduct. When the university ramped down and had a sparse staff on campus, accompanied by the focus COVID-19 demanded, the impact is seen in the reporting decrease.

Overall, the number of reports to, and utilization of, all reporting mechanisms decreased by 12% in FY 2020 after a period of steady increase since FY 2017. In FY 2020, the university’s ethics and compliance partners and the VCU Helpline received and managed 366 reports compared to 416 reports in FY 2019. Even annualized data indicates an 8% decrease overall in reports (381). Duration, or time to reach a final conclusion or outcome, increased across all units. At the close of this year, 48 cases remained open; an increase of 30% from 37 open cases in the prior year. The increase in open cases may be attributable to

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an overall increase in the complexity of reported concerns and thereby coordination and collaboration with appropriate internal expertise along with needed reprioritization because of COVID-19’s disruption. Given this result and the comparison to external benchmarks, the time to reach a final outcome will receive more frequent monitoring and escalation along with root cause analysis aimed at better identification and understanding of legitimate or uncontrollable challenges.

Overall, there was a slight decrease of 6%, or 5 reports, in the total number of reports made directly to the ICO; however, when annualized the picture shifts. Of the 79 reports to the ICO, 70 reports had been made prior to March 1, 2020; which, annualized, represents a 25% increase in reports made directly to the ICO. This is notable because it significantly changes the overall data, which was reflecting a 12% decrease in quantity of reports to this independent option when compared with last year until accounting for the COVID-19 disruption. This may be the quantitative result of the qualitative finding from VCU’s 2019 Ethical Culture and Perceptions Survey which identified that employees were less comfortable reporting concerns to their managers than was indicated in the 2017 version of the same survey. Additionally, the survey identified employees were most confident they would be protected from retaliation if reporting through the VCU Helpline which is independently managed by the ICO. The rate of anonymous reports:

- increased in FY 2020 to 16% from 10% in FY 2019 which may be an indicator of decreased trust in the environment; and
- when annualized, data indicates anonymity rates of 19% for all reports, and 28% for reports excluding performance management issues.

The trend of increased anonymous reporting was also noted in global benchmark surveys; therefore, the increase in anonymous reporting in FY 2020 may be demonstrative of broader trends in employee reporting behavior outside of VCU’s environment.

**Breakdown of Reports to All Trusted Advisors Based on Independence**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports to Independent Option – ICO</td>
<td>81</td>
<td>62</td>
<td>84</td>
<td>79</td>
</tr>
<tr>
<td>Reports to Independent Option – Internal Audit</td>
<td>7</td>
<td>11</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Reports to Management Option – Compliance Partners</td>
<td>185</td>
<td>292</td>
<td>326</td>
<td>281</td>
</tr>
<tr>
<td>Total Reports</td>
<td>273</td>
<td>365</td>
<td>416</td>
<td>366</td>
</tr>
<tr>
<td>% Reported to Audit and Compliance Services – as the only structurally independent option</td>
<td>32%</td>
<td>20%</td>
<td>22%</td>
<td>23%</td>
</tr>
</tbody>
</table>
The substantiation rate (see Appendix A for definition), for all reports, decreased to 61% from 72% in the prior year. The rate equates to 49% when excluding performance management issues which remains higher, although more closely aligns with, current national benchmarks (see chart below). Substantiation rates exceeding global and education industry benchmarks may indicate employees are well informed.
about university expectations and are empowered to speak up when those expectations are not being met. It additionally points to effective investigative procedures.²

Reports classified as Human Resource-related, consistent with VCU’s prior data and national trends, continue to represent the largest volume of these reported concerns at 63%, with a 62% substantiation rate. Both reflect a slight decrease from FY 2019 when Human Resources-related reports comprised 68% of all reports with a 72% substantiation rate. The decrease in the proportion of Human Resources-related reports is likely due to an increase in Equity-related reports, which comprised 19% of all reports in FY 2020 as compared to 13% in FY 2019. A decrease in the proportion of reports that were Human Resources-related was also observed in global benchmarks. The decrease in substantiation rate is likely reflective of the decrease in the university’s overall substantiation rate. When performance management reports are excluded from analysis, 48% of reports are Human Resources-related and 28% are Equity-related with substantiation rates of 63% and 10%, respectively.

Allegations classified as equity-related topics saw a decline in substantiation rate for the second consecutive year from 17% in FY 2019 to 10% in FY 2020. The 10% substantiation rate remains below the university benchmark of 25%; however, it is likely that the FY 2018 of 42% rate is abnormally high and has skewed the benchmark accordingly. Additional training may be necessary to educate employees on the

² Penman, Carrie; 2020 Risk and Compliance Hotline Benchmark Report Navex Global
Preventing and Responding to Discrimination and Sexual Misconduct/Violence and Sex/Gender Discrimination policies.

The university, again as in prior years, positively exceeded global ethics and compliance industry benchmarks for per capita reports of concern, demonstrating a university environment that supports a speak-up culture and providing increased visibility of issues and events in order to identify patterns and practices of unethical conduct. Per capita reports at 3.13 fall just below educational industry peers at 3.73 as identified by the current case management electronic system, but exceed the benchmark for all industries of 2.0. A study conducted at George Washington University, Evidence on the Use and Efficacy of Internal Whistleblower Systems (Stubben, Welch; 2018), found that an increased volume of reports was associated with decreased government fines and litigation settlement amounts and may be a “result from internal [whistleblower] systems providing relevant and actionable information to management about issues arising within the organization and/or serving as a deterrent against inappropriate activities.”

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020 Navex Global Survey</th>
<th>FY 2020 Convercent Benchmark</th>
<th>VCU Internal Benchmark</th>
<th>FY 2020 Data (All / Excludes Performance Management)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases per 100 employees</td>
<td>2.0 (Median)</td>
<td>3.73</td>
<td>3.02</td>
<td>3.13 (all)</td>
</tr>
<tr>
<td>Anonymous Reports</td>
<td>59%</td>
<td>39%</td>
<td>13%</td>
<td>16% / 21%</td>
</tr>
<tr>
<td>Direct Contact Reports vs Helpline Reports</td>
<td>43%</td>
<td>9%</td>
<td>80%</td>
<td>82% / 76%</td>
</tr>
<tr>
<td>Substantiation Rate</td>
<td>43%</td>
<td>39%</td>
<td>62%</td>
<td>61% / 49%</td>
</tr>
<tr>
<td>Most Common Allegation Type</td>
<td>Human Resources – 65%</td>
<td>Not available</td>
<td>Human Resources – 67%</td>
<td>Human Resources – 63% / 48%</td>
</tr>
<tr>
<td>Concerns of Retaliation</td>
<td>1.10%</td>
<td>Not available</td>
<td>4%</td>
<td>3% / 4%</td>
</tr>
</tbody>
</table>

*Benchmarking Note:* Metrics collected are presented in comparison with a university benchmark for the respective metric; calculated using the average of all available data from the preceding three FY cycles which does not include the year of this report. Metrics are also compared to available industry benchmarks in two ways: 1.) data collected and analyzed annually by Navex Global’s 2020 Risk and Compliance Hotline Benchmark Report and 2.) benchmark data supplied by VCU’s ethics and compliance platform vendor, Convercent, using an education industry peer group.
Additional enhancements in FY 2020 included implementation of standardized severity rating criteria (Appendix B) for consistent classification of reports and associated analysis. Overall, designation of criteria demonstrated increased severity with 36% of reports rated as medium/high/critical (45% when excluding performance management) as compared to FY 2019 with 25% of reports rated as medium/high/critical (32% when excluding performance management). This metric will be monitored and benchmarked going forward.

Analysis of critical and high severity reports revealed four substantiated cases (50% substantiation rate with six cases in progress) at the close of the fiscal year. All matters were addressed with documented disciplinary action designed to prevent recurrence of misconduct. In total for FY 2020, 13 reports were rated as high severity and one rated as critical demonstrating an increase from FY 2019 where eight reports were rated as high severity (75% substantiation rate). This may indicate increased levels of trust that the university will address serious reports of potential misconduct or, it may indicate an emerging trend that critical and high severity cases are on the rise - it is too soon to tell but this will remain an area to watch throughout FY2021. Due to the number of open cases at year-end, any comparison to prior year’s substantiation rates for the most severe cases would not be well evidenced.

Planned enhancements for the future include exploring reported concerns data with performance management reports excluded to more readily identify and analyze noncompliance with university policy. Additionally, separate benchmarks will be created to monitor changes.

### Ongoing Monitoring & Assessing Compliance Risks

Selected areas with marked increase in demand (usually in the form of regulator scrutiny) or accomplishment are included in this section. A well-recognized risk assessment report adds substance and context. Context is provided by organizational culture and factored in throughout. VCU’s culture is established on a base of integrity and ethics which means this work is not only to stay out of trouble, but to also build on that foundation to drive VCU’s success. In that spirit, this report focuses on current activities, successes and notable areas wherein opportunity exists.
Additional DOJ-Updates related details (as prior referenced in the Year-in-Review Section):

In June 2020, the Department of Justice released additional guidance related to evaluation considerations for ethics and compliance programs. This reinvigorated interest was brought front and center in 2017 when DOJ released their *Evaluation of Corporate Compliance Programs* and again in April 2019 with updated guidance that highlighted considerations for establishing effectiveness. The 2020 additions focused on:

- Adequate resources and empowerment to function effectively
- Dynamic state of continuous improvement
- Shorter, more targeted training methods
- Effectiveness of communication and training
- Tracking access to policies to understand what policies employees are receiving attention from employees
- Testing awareness of helpline and other reporting mechanism
- Third-party risk management
- Data resources and access – sufficient access to information to allow for timely and effective monitoring
- Monitoring consistency of disciplinary actions
- Adaptation of program based on lessons learned from identified misconduct or from similarly situated organizations

All of these are solid considerations for meeting the expectations of an effective program. These elements are considered and help inform program activity and initiatives moving forward.

Non-Routine Government Reviews

Monitoring external state or federal agency inquiry, review, investigation, or audit activities and facilitating a unified and appropriate response to external regulators’ requests is always of high priority.

This section highlights significant government reviews conducted; the results of the reviews; and university remediation plans to prevent recurrence of any identified issues where applicable. This section does not include routine compliance reviews, or activities related to compliance with accreditation requirements.

No fines, debarments or resolution agreements were levied or agreed to this year.

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This year, an external whistleblower complaint prompted an NIH inquiry around peer-reviewed articles and the research activities of one individual. After extensive internal investigation and regulator response time, the allegations were deemed unsubstantiated. This inquiry did reveal a minor publication error, since corrected, and some areas wherein the institution could provide additional messaging and communications related to new, or more junior, researchers around publication planning and NIH integrity requirements and guidance related to the peer review process. This work is being taken on by both management and the subject of the complaint to create messaging for the new and rising generation of scientists.

**Regulatory Reporting Monitoring**

Despite COVID-19’s disruption, full compliance with required federal reporting to external authorities was maintained without issue. On a quarterly basis, compliance risk owners at the senior leadership level self-attest to timely, accurate and complete reporting throughout the year.

![Pie Chart of Federal Regulatory Responsibility by Topic]

New this year is the program’s assistance toward documenting ownership and risk assessment driven by state regulatory and legal compliance requirements. This is represented by a catalog of state and legal compliance requirements, a gap assessment for state-required policies and timely readiness queries for newly passed legislation. This activity is designed to prevent noncompliance and aid in resource allocation assessment. This will be reported on next year due to a COVID19-oriented delay.
Quarterly and monthly meetings with operational owners of compliance risks occur through the Compliance Advisory Committee. Deeper assessments with individual unit leaders provide forums for communication of expectations and updates; data assessment and trend lines; inner network group discussions; and support for day-to-day operations. Internal Audit is included as a compliance partner in an effort to inform overall strategy and scope for specific audits.

Lastly, compliance with § 23.1-401.1 of the Code of Virginia, *Constitutionally protected speech; policies, materials, and reports; report*, required both the annual report creation, posting and filing as well as meeting notifications and postings for filed lawsuits. This year, like last year, required notice of one filed lawsuit alleging violations of protected speech to be provided to certain state legislators and the Governor and to be posted at www.freespeech.vcu.edu in accordance with the Code’s compliance requirements. This case is related to School of the Arts, Qatar Campus, activities.

### International Activities

As mentioned earlier, the federal government’s interest in international affairs related to universities nationwide has significantly increased. Aside from the direct response to the COVID-19 shut down and return to campus, there was no more active compliance area than international affairs this year. It required a significant investment from multiple offices to look discuss matters such as:

- peer review activities within NIH;
- unsuspecting professor engagements in or with Confucius Institutes;
- funding supplied to researchers and universities for grants, contracts, sponsored programs, tuition payments, gifts (even those gifts made through foundations) or other contracts made to universities both public and private;
- resulting conflicts of interest or commitment at the individual and institutional levels; and
- visa compliance related to changes and interpretations.

Due to the growing attention, the Provost and VP of Research convened several compliance partners in a representative capacity to discuss issues throughout summer and fall, 2019. After an initial assessment and deploying university wide communications, the group determined a smaller working group (Security Workgroup) was needed for a deeper assessment of VCU’s activities in relation to both government agencies and nonprofit organizations recent recommendations focused on core competencies, emerging trends and best practices. The work of this group remains ongoing and a preview indicates opportunities in a more centralized approach to these areas and an increase in strategic communications to assist VCU in maintaining a strong position for compliance effectiveness and enforcement regardless of the level of scrutiny from any given federal administration at any time. Close attention continues to be paid
to the current investigations at other institutions in order to learn from the specific mistakes of, or the government’s interest in, others.

**Special Note:** The awareness of international security-related activities extends well beyond the more widely known ‘undue foreign influence’ concerns driving much of the Federal government’s recent concerns aimed at institutions of higher education. While the working group’s focus was more leaning toward the timely undue foreign influence component, the prevalence in other compliance risk areas for which other activities are in progress is unavoidable. The specific topics examined by this working group was heavily based on Association for Public and Land-Grant Universities’ May 19, 2020, *Actions to Address Security Concerns about Security Threats and Undue Foreign Government Influence on Campus* and Council on Governmental Organizations’ January 14, 2020, *Framework for Review of Individual Global Engagements in Academic Research*.

Collaboration and centralized coordination will be critical to remain effective with this university investment in assessment and to be determined commitments moving forward. The group remains committed to sharing resulting recommendations, supported by leadership, with the appropriate risk owner, or noting where ownership of identified risk is in question. The endeavors of the working group have further deepened the understanding of institutional processes, practices, existing policies and the in need for enhancements and policy decision making.

Lastly, The Office of Research and Innovation provides university wide export compliance support and optional Foreign Corrupt Practices Act training for the university. Placement of proactive messaging provides timely information as to resources, travel warnings, recommended safety precautions and identifies online resources, on-demand information and an optional, no cost, clean laptop loaner program.

Individuals traveling to destinations that have US sanctions or other export restrictions are deemed high risk and receive customized guidance on compliance requirements. Currently a travel committee is assembled to review institutional policies around permissive and funded travel parameters.

**Conflict of Interest and Commitment & Annual Compliance Training**

Relationship and transaction transparency and the resulting issues from undisclosed, or disclosed interests but unmanaged conflicts, have always provided attention grabbing headlines in government, nonprofit, private sector and academia. In this age of interconnectedness, immediacy, on-demand information, collaborations, entrepreneurial endeavors and expected transparency, public scrutiny remains intense alongside expectations for greater monitoring and accountability.

For these reasons, a standalone Conflicts of Interest (COI) training course was developed and implemented as the university’s annual ethics and compliance training requirement for all employees. This module also included specific mention of COI related to international collaborations and the potential
for undue foreign influence since this was an identified area of risk. The completion rate, with a passing quiz score, for all employees is 92%; and those employees designated as holding a position of trust are at 99% complete.

Additionally, fully implemented interest disclosure occurred for employees identified as holding a position of trust. This was aided by a centralized electronic disclosure questionnaire and assessment tools, helping VCU to ensure a workplace free from unmitigated conflict, bias or improper influence from its most powerful and influential employee population.

University wide implementation of the required training course and questionnaire were conducted in accordance with existing conflict of interest review protocols and university wide policy draft, both of which are informed by the state’s Conflicts of Interest Act compliance requirements; a national best practices assessment recently updated in FY19; and practical refinements identified in VCU pilot programs. The resulting questionnaire went to 776 employees - inclusive of 669 employees identified as holding a position of trust and 107 athletics department employees under specific NCAA requirements as well.

In total, 280 employees disclosed 470 interests in all disclosure type categories. Disclosure Types are defined in Appendix C.

Thirty-one percent of the President’s Cabinet members, or 5 of 16, disclosed 14 interests in total. A majority of which were related to Outside Activities and none of which were prohibited.

For members of senior leadership, 31 (of 72), or 43% employees had a total of 65 interests to disclose, see detailed charts below:

<table>
<thead>
<tr>
<th>All Disclosure Types [count]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside Activity [278]</td>
</tr>
<tr>
<td>Personal Services [45]</td>
</tr>
<tr>
<td>Relationship within our Organization [44]</td>
</tr>
<tr>
<td>Potential Conflict of Interests - Immediate Family [29]</td>
</tr>
<tr>
<td>Outside Financial Interest [26]</td>
</tr>
<tr>
<td>Athletically-Related Outside Income and Benefits [22]</td>
</tr>
<tr>
<td>Gifts or Services Received [10]</td>
</tr>
<tr>
<td>Gifts or Services Given or Donated [8]</td>
</tr>
<tr>
<td>Other Potential Conflicts of Interest [8]</td>
</tr>
</tbody>
</table>
COI-related inquiries directed to the ICO continue to rise in complexity year over year; however, this is the second year that inquiries were all proactive rather than post commitment or post transaction. Individuals are now provided with the assessment tools, reporting forms and the more advanced guidance the maturing environment has demanded. This shift toward permissiveness indicates that awareness and understanding of COI matters has reached a new positive maturity point.

Operational units assessing highly specific disclosures for conflict management are Athletics and Research.

- The Athletics NCAA-required processes have been reconciled into the universitywide electronic solution for centralized coordination and independent oversight of required reporting.
- Research-specific practices have been fully intact and operational by research expertise for more than a decade.

This past fiscal year, matters were as expected with no atypical occurrences or notable changes for both operational units.
Universitywide Policies

The Policy Program educates and supports the university community with the policy development and approval process. This cycle continued policy reviews for accuracy, feasibility and streamlining content to reduce quantity and improve quality of existing policies and gap assessment for needed policies. As a new enhancement, the program began open consultation hours for policy drafters to discuss any aspect of policy development or need aiming to increase drafting collaborations.

Currently, 40% of all policies remain out of date. Approximately 50% of these are under active review. To assist policy owners with keeping policies current, advance notice of six months is provided prior to the triennial deadline and are escalated to members of management and leadership once past due. To further a more strategic approach to ensure VCU has the updated policies it needs, an independently driven gap assessment project remains in progress this cycle and will be incorporated into an overall risk-based rating project to address VCU’s policy needs. This will provide necessary feedback to not only prioritize updating out of date policies, but also work toward the policies VCU should have in place.

The Top 5 viewed policies in FY 2020 were:

- Honor System
- Student Code of Conduct
- Sexual Misconduct/Violence and Sex/Gender Discrimination
- Tuition Benefits, Educational and Training Opportunities
- Faculty Promotion and Tenure Policies and Procedures

Virginia’s Freedom of Information Act (FOIA)

Over the last few years, implementing FOIA training has resulted in a more educated population with better coordinated institutional responses. Responses have reached a maturity point wherein disclosing necessary information with minimal redactions helps fortify VCU’s commitment to transparency in all dealings. As a public state agency, VCU has five days to respond to all FOIA requests.

This year saw an 8% decrease in requests, most likely attributable to the COVID-19 disruption but also due to
intentional training efforts resulting in a more confidently responding staff in handling FOIA requests and leadership valuing transparency and prioritizing clarity when responding to the media and the public's inquiries. Trends in the use of the Act included:

1. Journalist and media requests doubled again in FY 2020 (same as in FY 2019 from FY 2018)

2. Activist groups requesting information related to local and regional community projects; specifically in the form of emails and records between various VCU faculty, staff and leadership with Dominion.

3. Employee and student requests related to administrative processes remained steady

4. Main topics of interest were substantial, both in terms of their complexity and the public's interest in how VCU engages with or impacts the community in Richmond and beyond. Topics included:
   - administrative investigation results;
   - athletic department contracts;
   - community relations;
   - parking, transportation and GRTC; and
   - procurement transactions.

**Projections for FY 21** - Continued interest is anticipated in the following areas:

- tracking students using technology (significant national media interest/FOIA requests in FY 2020 in the RamAttend pilot program)
- the university's COVID response
- police funding
- VCU's relationship with the community both in terms of engagement and footprint - particularly related to VCU’s Master Plan progression

**Student Related – Select Highlights**

A growing trend in higher education ethic and compliance programs is the evolution from an employee-centric approach to one that includes students. Both intentional messaging to the student population and relevant data points are also included in assessing the effectiveness for ethics and compliance programs. With this in mind, notable statistics from the Office for Student Conduct and Academic Integrity (OSCAI)
within the Division of Student Affairs and the Health Science’s Division for Academic Success (comprised of Student Academic Support Services and Disability Support Services) are included below. Once a university benchmark is established, these data points will be integrated into the traditionally reported data points and benchmarked as part of standardization of ethics and compliance efforts.

Student Accessibility and Accomodations

The Student Accessibility and Educational Opportunity (SAEO) Office on the Monroe Park Campus and the Division for Academic Success (DAS) on the Health Sciences Campus work together to provide equal access to the university’s educational programming and activities to students with disabilities. The SAEO Office is a resource for the Monroe Park Campus students and in particular, for individuals with disabilities requesting reasonable accommodations to receive services and obtain the protection of Section 504 of the Americans with Disabilities Act. This year continued a rapid increase in demand bringing about a 169% increase since just four years ago. The DAS also provides disability support services and academic support services to students on the Health Sciences Campus.

Overall, student disability support services saw increased demand in accommodations requested (including housing and emotional support animals) and in Testing Access Center use. Considering available data due to the COVID-19 disruption, during the academic year SAEO proctored 4146 exams prior to the university transition to online instruction, exceeding the number of proctored exams in the same time period in 2019 (3223).

The trend of increased utilization is expected to continue and as such, due to staff reductions and budget constraints, SAEO anticipates needing to prioritize student-centered services and reduce effort into developing programming for university departments.

DAS also experienced an overall increase in demand from students requesting disability support services. With the transition to online instruction due to COVID, DAS experienced increased requests from faculty and staff to assist with the transition off-set by the 3% decrease in requests for academic support services, likely attributable to the changed environment.
Effectiveness Statement

Outside threats to compliance are not threats to the effectiveness of an organization’s Ethics and Compliance Program. This was never more felt than this past fiscal year. Effectiveness is the concept from which all key performance indicators, reporting elements and initiative setting should stem. Maintaining focus on program effectiveness in an ever-changing regulatory landscape, with shifting societal demands and needs while facing competing interests and priorities with finite resources, will always challenge every organization. This means, program support during implementation requires:

- established level of institutional commitment
- appropriate resourcing
- all employees held accountable
- on demand and accessible information
- continual and ongoing risk assessment
- interdisciplinary and enterprise-wide collaborations
- transparent and timely communications with key stakeholders
- leaders to fully embrace program objectives
- risk-informed and values-based ethical decision making

Apart from the challenges organizations of similar scope and complexity experience, (generally relating to communication, documentation and accountability in roles and responsibilities) no newly discovered patterns or practices of systemic misconduct have been identified this fiscal year. However, further progress of ethics and compliance initiatives continue to be impacted by competing priorities in other areas.

Supporting an approach based in industry best practice and adjusted for organizational risk-tolerance and appetite and empowering dedicated expert resources to systematically translate obligations and expectations into appropriate actions that drive positive outcomes, requires sustained commitment to integrity and accountability at the highest levels.

Programs unable to demonstrate effectiveness are not given full credit by the federal government during inquiries, investigations, or proactive self-reporting when misconduct is suspected or found. The goal of a program is to demonstrate effectiveness in order to receive favorable interactions or a reduction in culpability score for the organization should misconduct be found. For this reason, it is critical that risk identification continue to receive appropriate attention and response while the operational and function components of VCU’s ethics and compliance program undergoes periodic assessments (internal and external) of program design and function.
This year was the first year wherein annual initiatives (see Appendix D) were set in accordance with recommended enhancements to the program from the 2019 external review by Ethisphere, an independent third party marketplace leader in assessing effectiveness of Ethics and Compliance Programs and Program Design across industries. This review concluded in several accolades and identified areas of most need within VCU’s program; mainly in the communication and training of management personnel and program design areas. Initiative setting also reflects identified areas of need stemming from assessing risks throughout the prior FY.

These review results, response plan and progress toward continuous improvement was, and continues to be, reported on to the Board of Visitors in fulfilling their governance role specific to program progress and organizational commitment to support the program.

Overall, the Ethics and Compliance Program continues to operate from a position of strength in:

- supporting creation and maintenance of clear expectations;
- supplying reporting mechanisms to identify perceived or actual misconduct;
- identification of risks;
- ensuring resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified; and
- reporting to the governing authority on matters of progress and of concern.

Additionally, the network of trusted advisors, known as compliance partners, and the continued commitment by Compliance Advisory Committee members adds to the strength of VCU’s capacity for ethics and compliance program effectiveness.
Lastly, the role of management to enforce expectations and set the tone at the top of integrity in all operations remains critical. These efforts ultimately combine to increase value to VCU as it strives to meet its mission of excellence and in upholding the public’s trust. Industry benchmarks continue to identify that changes bring pressures and an increase in pressures require deliberate diligence in supplying messaging around values. With increasing pressures (e.g.; regulatory and public demands), an effective program with solid foundational elements will continue to require deliberate design, formal structure and the time and the agility to respond to changing demands whether from industry, regulation, or specific to the needs of VCU.
Appendix A

Definitions for Report Outcome Classification

A report is classified as **Substantiated** when, after inquiry or investigation, violations of expectations, policy, regulation, or law are found. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Partially Substantiated** when, after inquiry or investigation, a violation of expectations, policy, regulation, or law is found but other allegations—or elements of an allegation—contained in the report were unsubstantiated. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Unsubstantiated** when, after inquiry or investigation, no violations of expectations, policy, regulation, or law exist.

Reports that contain general questions rather than concerns or specific allegations; are not related to current VCU employees or during employment with VCU; or include allegations later withdrawn by the reporter and ICO determines that no further investigation is necessary are classified as **Other**.

Reports that contain insufficient information to proceed with additional inquiry or investigation are classified as **Not Enough Information**.
Appendix B

Severity Criteria

Criteria used to classify the severity of misconduct allegations (referred to throughout as “reported concerns”)

**Critical**
- Potential financial impact of $500,000+
- Repeated nonconsensual sexual contact
- Repeated abusive lack of self-control (physical or verbal)
- Recurrence of high severity offenses after formal warnings or other disciplinary action taken
- Recurrence of ineffective execution of corrective action plan by Management or Leadership for high severity offenses

**High**
- Harm to others, including threat of harm
- Nonconsensual sexual contact
- Potential financial impact of $50,000 - $500,000
- Repeated significant noncompliance with state or federal regulations, or accreditation standard
- Repeated significant conflict of interest concern
- Abusive lack of self-control (physical or verbal)
- Repeated abdication of job duties by management or leadership positions
- Ineffective execution of corrective action plan by Management or Leadership
- Recurrence of medium severity offenses after formal warnings or other disciplinary action taken
- Recurrence of ineffective execution of corrective action plan by Management or Leadership for medium severity offenses

**Medium**
- Senior Leadership as subject
- External Agency Notice
- Retaliation
- Abuse of Power
- Significant or repeated-minor noncompliance with state or federal regulations, or accreditation standard
- Significant or repeated-minor conflict of interest concern
- Raised concern internally first and was not resolved
- Subject had same or similar concerns reported previously
- Multiple reports about the same issue
- Related to law enforcement personnel conduct
- Significant or repeated safety concerns
- Sexual misconduct (not including nonconsensual contact)
- Potential financial impact of $5,000 - $50,000
- Recurrence of low severity offenses after formal warnings or other disciplinary action taken
- Recurrence of ineffective execution of corrective action plan by Management or Leadership for low severity offenses

**Low**
- Performance management concerns
- Minor noncompliance with state or federal regulations, or accreditation standard
- Minor safety concern
- Minor conduct issues (unprofessional or uncivil behavior/comments)
- Minor conflict of interest concern
Appendix C

Descriptions for Interest Disclosure Types

**Athletically-Related Outside Income and Benefits:** Includes income and benefits from sources outside the institution; the use, directly or by implications, or the institution’s name or logo in the endorsement of commercial products or services for personal gain; or outside compensation or gratuities from athletic shoe, apparel or equipment manufacturers in exchange for use of such merchandise during practice or competition.

**Gifts or Services Given or Donated:** VCU employee (either personally or in their professional capacity at VCU) gave a gift that might reasonably be perceived as influencing or having the potential of influencing workplace decisions/actions. This includes any entity that conducts business or wishes to conduct business with the university, students/postdocs or employees. This does not include rewards or prizes for random drawings. Gifts and entertainment include anything of monetary value, such as discounts, travel expenses, loans, cash, services, transportation, tickets and gift certificates/cards, which have an individual market value of $20 or more or a cumulative market value of $100 or more over a 12 month period.

Gifts or Services Received: VCU employee accepted gift(s) in their personal or professional capacity that might reasonably be regarded as influencing or having the potential of influencing decision/actions at VCU. This includes any entity that conducts business or wishes to conduct business with the university, job candidate, students or representative of a student (e.g., parent, guardian, etc.). This does not include rewards or prizes for random drawings. Gifts and entertainment include anything of monetary value, such as meals, discounts, travel expenses, lodging, loans, cash, services, transportation, tickets and gift certificates/cards - which have an individual market value of $20 or more or a cumulative market value of $100 or more over a 12 month period.

**Outside Activity:** VCU employee is an employee, owner, director, officer, partner, contractor to, or agent of any other organization/entity outside of VCU. This also includes serving on a board of directors, advisory board, trade association or industry group, and arrangements to provide outside services (e.g., consulting and paid speaking engagements). Subcategories: second job; side business; freelance work/consulting; service activity; other.

**Outside Financial Interest:** VCU employee has a financial interest with any entity that conducts business with VCU or could possibly be perceived as influencing their university decisions. This includes direct financial interests not previously disclosed as an Outside Activity such as ownership, real estate/property, intellectual property/royalties, stocks/bonds, or equity (regardless of business value), and indirect financial interests such as reciprocal relationships or arrangements.

**Personal Services:** VCU employee has utilized university employees or students/postdocs to perform any personal services for them, whether paid or unpaid (e.g., house/pet sitting, yard work, editing, etc.)?
Potential Conflicts of Interest – Immediate Family: VCU employee has someone in their immediate family involved in activities, or has relationships that could possibly be perceived as a conflict of interest with respect to VCU. Immediate family member means spouse or domestic partner, parent, child, sibling, aunt/uncle, niece/nephew, grandparent or grandchild. For example, they work for, or are associated with an organization that does business with the university; they have a relationship with a board member or senior leader at VCU or someone in your reporting chain.

Relationship within our organization: VCU employee has a personal, family, social, or business relationship with a student/postdoc or other VCU employee with whom they have oversight of – or perceived influence over – their employment or academic activities. Examples of employment activities include performance evaluations, salary decisions, promotion, work assignments, etc. Academic activities include admissions, grades, coursework, registration/overrides, etc.

Other Potential Conflicts of Interest: VCU employee is involved in any other activity that could possibly be perceived to influence their university decisions or detract from their university responsibilities. Consider the various activities and interests that they, their family members and close friends are involved in, and whether they could be reasonably viewed by others to unfairly influence your decision-making in the workplace. If in doubt, this disclosure process can provide an objective review to identify competing interests and guidance on how to properly manage any identified conflicts. If the situation is not a conflict of interest or commitment, this disclosure can help remove the potential perception of wrongdoing. Remember, actual or perceived conflicts of interests and commitments have the potential to undermine our credibility and the trust of others. Having a conflict is not necessarily wrong or bad, but not disclosing the situation can result in wrongdoing or the perception of wrongdoing.
Appendix D

Current FY Annual Initiatives

(Typically approved at Board of Visitors meeting in May)

FY 2021 Ethics and Compliance Program Risk Based Initiatives

Each year, initiatives are selected, or mature, in order to reduce potential wrongdoing, increase the likelihood that when wrongdoing does occur it will be made known to management and increase the likelihood that VCU will responsibly handle suspected and substantiated wrongdoing, thus preserving the public's trust and the integrity and reputation of a responsible university.

Maintenance of VCU’s Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission’s Sentencing Guidelines, Chapter 8, which provide the basic and necessary minimum elements of an effective Ethics and Compliance Program; it is also driven by our own mission and values reflected in our Code of Conduct and university policies; sound business sense; risk acceptance and the needs of the organization. Continually playing an integral role in setting and upholding accountability within VCU’s culture and overall risk mitigation processes, the Compliance and Ethics Program provides advisory resources to all departments; reporting mechanisms to all employees, students and visitors; and regularly solicits interactions from a cross section of stakeholders helping progression and monitoring of ethics and compliance based activities. Based on providing these services throughout FY 2020, the initiatives for FY 2021 reflect a balance of capacity, prioritization and where a devotion of additional resources is necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. Most of the topics below traverse multiple years due to the scope and size of the efforts. Year over year progress is made and any obstacles to these plans are shared with the Audit, Integrity and Compliance Committee of the Board of Visitors as the university’s governing authority.

Note: These activities reflect known data points and information established from the collaborative relationships with Ethics and Compliance Partners and other key stakeholders.

FY 2021 Initiatives:

Continue providing the BOV and Senior Leadership (as applicable) timely reports of successes; efficiencies; challenges; obstacles; and violations of ethics and compliance matters. Consider formal resolutions for program requirements and organizational need.
More specifically focused on:

**Effectiveness Review of Ethics and Compliance Program**
- Maintain progression and updates to response plan from Ethisphere’s findings and recommendations – includes cooperation and collaboration with compliance partners and key stakeholders
- Complete self-assessment and results comparison with the national Ethics and Compliance Initiative cohort and industry leading practices

**Integrity and Compliance Office Reporting to BOV Audit, Integrity and Compliance Committee**
- Bolster issues and events reporting with enhanced analytics insights and benchmarking from central case management platform; solicit and incorporate stakeholder input; establish frequency of reports
- Finalize program insights reports and the dashboard’s format - includes ethics and compliance metrics informing maturity ratings; solicit input; and establish risk appetite – working toward standardized quarterly or biennial reporting

**COI Program Enhancement** - Enhancements are needed regarding policy approval, consistent use of electronic solution for disclosures and management plans; in particular, compliance with more than 10 federal regulations, accreditation standards, and best practices in organizational governance, risk, and ethics and compliance industries. Utilization of an enhanced process of interest reporting contributes to both the Board and the departmental charter compliance by providing required assurances to the Audit, Integrity and Compliance Committee of the BOV.
- Fully implement policy and software solution for disclosing interests and managing conflicts
- Creation and execution of training to topic, policy requirements, electronic system and role
  - School and unit level employees reviewing, clearing and mitigating conflicts
  - Institutional Ethics and Compliance Committee Members
- Continue guidance responding to disclosures and proactive avoidance inquiries or response to disclosed institutional conflicts and conflicts of commitment - includes role based training
- Continue as Commonwealth’s liaison for mandated state disclosures and training

**Employee Ethics and Compliance Training and Accountability**
- Execute training to broader audience and oversee functional or operational compliance program plan development by applicable compliance partners
- Provide risk identification and assessment training to applicable compliance partners
  - Establish accountability process for assessment results and integration into ERM
- Integrate ethics related actions and other positive ethics incentives into performance evaluations - initial phase, pilot cohort
- Execute annual employee compliance training – includes reflexive content based on initial assessment of knowledge base accompanied by role and duration of employment
- Develop and conduct role-based training for managers: Anti-retaliation
- Continue in person participation in new employee orientations and new chair training / development; online content delivery; and other custom requests to individual units

**Gap and Risk Assessment Activities & Response**
- Continue oversight of case handling for all reported concerns for efficient, consistent and coordinated institution response
- Continue quarterly oversight monitoring for timely compliance reporting through responsible parties outlined in Compliance Calendar: Federal Regulatory Reporting Requirements
- Support unique compliance needs in the university’s areas of international activity, health care activity; and other elevated risks - reinforced with policy creation and revision
- Formalize internal workplace investigation standards through policy approval
- Identify risk owners for enhancing third party programs (volunteers, visiting scholars, vendors, etc…) - explore decentralized risk and accountability model and centralization feasibility for identification; screening; tracking and reporting
- Reconstitute Compliance Advisory Committee and begin Senior Leadership Level Committee to review and respond to advanced ethics and compliance metrics geared toward effectiveness and risk ownership, management and intelligence based on established maturity model ratings

**Government Relations Non-Routine Visits:** Continue independent oversight and support to university community in preparation for, and in response to, regulator inquiries, reviews and investigations

**Policy Program – for all universitywide policies**
- Create methodology to measure and manage effectiveness of existing policies
- Recommend and oversee policy development to address identified risks
- Continue universitywide quarterly updates: seminal policy changes, reminders and tips for compliance
- Continue gap assessment based on size, scope and complexity of university, and industry trends and standards
- Continue support in policy creation, drafting, revision and required governance processes

**Continued Participation and Resource Support and Guidance** to various ethics and compliance-oriented groups and committees
- National Prominence - Contributing member for think tank partnership with Ethisphere to create Higher Ed cohort data comparisons of plans; and contributing member in national university compliance leaders group
- State Prominence – Ethics and compliance work in Higher Education cohorts: contributing member to state-specific cohort; founding member for public school-specific cohort
- Continue serving as the second line of defense support to all operations units with VCU
- Work toward being utilized as a strategic business partner
- Participation and leadership provided to over 15 universitywide committees and taskforces
- Active memberships and participation with external groups – Society of Corporate Compliance and Ethics – Higher Education Section and General Section; Ethics and Compliance Initiative; Association of College and University Policy Administrators
- The commitment to internal staff development remains as well as support for maintaining current industry certifications
- Internal workplace investigations
  - Oversight of alleged misconduct reports / non-compliance issues
  - Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise
- State Regulatory Coordinator (liaison to Commonwealth for VCU)
- Agency Coordinator for Conflict of Interest Disclosures to the Commonwealth

As a reminder, this committee receives a status update of FY20 Initiatives along with these proposed Initiatives for FY21 at the May 2020 meeting and receives the FY20 Integrity and Compliance Annual Report at the September 2020 BOV Meeting.

The anticipated effect of providing the upcoming fiscal year’s Program Initiatives at the May Meeting, and the Annual Report at the September Meeting, is to assure existing mechanisms keep this committee abreast of efforts demonstrating effectiveness of the Ethics and Compliance Program.

This committee has been deemed, through enacted Charter, to be the appropriate authority to oversee the Ethics and Compliance Program. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Chief Ethics and Compliance Officer.
Appendix E

Prior FY Initiatives Progress Report

(Typically presented at Board of Visitors meeting in May)

STATUS OF
FY 2020 Ethics and Compliance Program Risk Based Initiatives

Maintenance of VCU’s Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission’s Sentencing Guidelines, Chapter 8, which provide for the basic and necessary minimum elements of an effective Ethics and Compliance Program; it is also driven by our own mission and values reflected in our Code of Conduct and university policies; sound business sense; risk acceptance and the needs of the organization. Continually playing an integral role in setting and upholding accountability within VCU’s culture and overall risk mitigation processes, the resulting initiatives were set for FY20 in May of 2019 and this report provides a final status update as of April 1, 2020 before approving new initiatives for FY21. The May meeting of the Board’s Audit, Integrity and Compliance Committee reviews and approves the program’s Annual Initiatives (workplan) for the upcoming fiscal year; therefore, this update is needed at the same meeting in order to hold those who run, oversee and contribute to, this program responsible for reasonable progress and effectiveness.

Initiatives herein are designed to reduce potential wrongdoing, increase the likelihood that when wrongdoing does occur it will be made known to management and increase the likelihood that VCU will responsibly handle suspected and substantiated wrongdoing, thus preserving the public’s trust and the integrity and reputation of a responsible university.

Selected projects reflect a balancing of capacity, prioritization and where a devotion of additional resources is necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. Most of the topics below traverse multiple years due to the scope and size of the efforts. Year over year progress is demonstrated with a stoplight coloring indicator and any obstacles to these plans are shared with the Audit, Integrity and Compliance Committee of the Board of Visitors as the university’s governing authority.

Note: These activities reflect known data points and information established from the collaborative relationships our ethics and compliance partners and other key stakeholders. Those items marked ongoing or holding, are a direct result of a vacancy absorbed turned into a universitywide hiring freeze or the adjustments required as a direct effect from the COVID-19 disruption.

Green: Complete or to be complete within FY
Yellow: Significant progress continues but not complete within FY
Red: No progress of significance or on hold due to unexpected circumstances
FY 2020 Initiatives:

Continue providing the BOV and senior leadership (as applicable) timely reports of successes; efficiencies; challenges; obstacles; and violations of ethics and compliance matters. Consider formal resolutions for program requirements and organizational need. More specifically focused on:

Effectiveness Review of Ethics and Compliance Program

- **COMPLETE** Prepare comprehensive response to Ethisphere’s findings and recommendations – includes exploratory phase with compliance partners and key stakeholders
- **COMPLETE** Complete self-assessment and results comparison with the national Ethics and Compliance Initiative cohort
- **COMPLETE** Report Findings and Recommendation Response to BOV, Cabinet, Compliance Advisory Committee, Enterprise Risk Management Committee, internal ACS, ICO staff and other key stakeholders
- **COMPLETE** Prioritize activities focused on the four key recommendations:
  - Develop Regular Training Program for All Managers
  - Streamline Communication Planning
  - Consider ICO Staffing and Ethics Ambassador Program and Review Reporting Line for CECO
  - Continue Consolidation of Case Management Systems

Integrity and Compliance Office Reporting to BOV Audit, Integrity and Compliance Committee

- **COMPLETE** Bolster Annual Issues and Events reporting results with enhanced analytics insights and benchmarking from central case management platform, includes higher education cohort
- **HOLDING** Provide dashboard format of ethics and compliance metrics informing risk assessment; solicit input; and establish risk appetite – working toward standardized quarterly reporting
- **COMPLETE** Ethisphere’s Design and Effectiveness Review Response to Recommendations Plan – see details above

COI Program Enhancement - Enhancements are needed regarding training, policy approval, use of electronic solution for disclosures and management plans; in particular, compliance with more than 10 federal regulations, accreditation standards, and best practices in organizational governance, risk, and ethics and compliance industries. Utilization of an enhanced process of interest reporting contributes to both the Board and the departmental charter compliance by providing required assurances to the Audit, Integrity and Compliance Committee of the BOV.
● **ONGOING** Fully implement policy and software solution for disclosing interests and managing conflicts
  o To include set expectations; required reporting; compliance with required committee review process; and managing of identified conflicts
● **ONGOING** Creation of formal Interest Disclosure Review Committee – to include training on expectations outlined in policy’s requirements
● **COMPLETE** Continued guidance responding to inquiries related to proactive avoidance, or response to disclosed institutional conflicts and conflicts of commitment
● **COMPLETE** Continued service as liaison to Commonwealth for mandated state disclosure

**Employee Ethics and Compliance Training and Accountability**

● **HOLDING** Integrate ethics related actions and other positive ethics incentives into performance evaluations - initial phase, pilot cohort
● **COMPLETE** Execution of annual employee compliance training – includes reflexive content based on initial assessment of knowledge base accompanied by role and duration of employment
● **HOLDING** Develop and conduct role-based training for managers: Anti-retaliation
● **ONGOING** Develop and conduct role-based training for internal workplace investigations
● **COMPLETE** Execution of high profile awareness events during National Ethics & Compliance Week, November 2019 - offered to employees and students
● **COMPLETE** Continued in person participation in new employee orientations and new chair training / development; online content delivery; and other custom requests to individual units

**Gap and Risk Assessment Activities**

● **COMPLETE** Continue quarterly oversight monitoring for timely compliance reporting through responsible parties outlined in compliance calendar: Federal regulatory reporting requirements
● **COMPLETE** Establish universitywide listing of state Code requirements and execute plan to assess compliance status
● **COMPLETE** Support unique compliance needs in the university’s areas of health care activity
● **ONGOING** Standardize core elements of internal workplace investigations - includes training and policy
● **ONGOING** Identify risk owners for enhancing Volunteers Program - explore decentralized risk and accountability model and centralization feasibility for identification; screening; tracking and reporting
● **HOLDING** Reconstitute Compliance Advisory Committee or consider senior leadership level committee to review advanced ethics and compliance metrics geared toward effectiveness and risk ownership, management / intelligence based on a maturity model rating
Government Relations Non-Routine Visits: COMPLETE  Continued independent oversight and support to university community in preparation for, and in response to, regulator inquiries, reviews and investigations

Policy Program – for all universitywide policies

- COMPLETE  Continue providing seminal policy reminders and tips for compliance to broader university community
- COMPLETE  Continued gap assessment based on size, scope and complexity of university, and industry trends and standards
- COMPLETE  Continued support in policy creation, drafting, revision and required governance processes

 Continued Participation and Resource Support and Assistance to various ethics and compliance-oriented groups and committees

- COMPLETE  National Prominence - contributing member for University Compliance Leaders Group
- COMPLETE  State Prominence - contributing member to state cohort for ethics and compliance work in higher education
- COMPLETE  Continue serving as the second line of defense support to all operations units with VCU
- ONGOING  Work toward being utilized as a strategic business partner
- COMPLETE  Participation and leadership provided to over 15 universitywide committees and taskforces; some committee involvement holding until vacancy filled
- COMPLETE  Active memberships and participation with external groups – Society of Corporate Compliance and Ethics – Higher Education Section and General Section; Ethics and Compliance Initiative; Association of College and University Policy Administrators
- COMPLETE  The commitment to internal staff development remains as well as support for maintaining current industry certifications

Internal Workplace Investigations

- COMPLETE  Oversight of Alleged Misconduct Reports / Non-compliance Issues
- COMPLETE  Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise

- COMPLETE  State Regulatory Coordinator (liaison to Commonwealth for VCU)
- COMPLETE  Agency Coordinator for Conflict of Interest disclosures to the Commonwealth

As a reminder, this committee will be receiving the Integrity and Compliance Annual Report and highlights at the September 2020 meeting.
The anticipated effect of providing the upcoming fiscal year’s Program Initiatives at the May Meeting, and the Annual Report at the September Meeting, is to assure existing mechanisms keep this committee abreast of efforts demonstrating effectiveness of VCU’s Ethics and Compliance Program.

This committee has been deemed through its enacted Charter to be the appropriate authority to oversee the Ethics and Compliance Program. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Chief Ethics and Compliance Officer.
A major third-party vendor serving the VCU Office of Development and Alumni Relations (among a large number of other non-profit organizations and educational institutions) was compromised by a group of cyber criminals. Although the compromised information did not include social security numbers or credit card data and did not legally require a breach notification, VCU determined the scope of impact and notified all affected individuals. Aside from the aforementioned incident, the VCU information security team has detected and responded to minor incidents involving phishing scams targeting individuals, human errors, and occasional malware infections. There are currently no signs of compromise or activities specifically targeting VCU.

In order to further reduce the risk of cyber-attacks, efforts in removing legacy technology such as Windows 7 are ongoing. While much progress has been made, the COVID-19 pandemic has made it difficult for technicians to perform upgrade tasks that need hands-on interaction. The increasing number of employees working from home has also introduced additional risks associated with the lack of network level protections from which these employees benefit while on-campus. While mid-term operational plans for information security include the redesign of and investment in security architecture that better supports cloud and work from home environments, but funding is dependent on retiring older technologies, which is planned for 2021-2022.
Program progressing on schedule
Program not on schedule; ERM Committee to address.
Program significantly behind schedule; Executive Management attention required.

Notes: The ERM Steering Committee (Committee) has not met as the entire Safety and Risk Management team is devoted to the University's COVID response.

**PLANNED AUDIT STATUS**

**PLANNED AUDITS** (status of audits - planned and unplanned to available resources)

**SPECIAL PROJECTS** (status of special projects - planned and unplanned to available resources)

INSTITUTIONAL COMPLIANCE PROGRAM

Compliance requirements compared to known material violations

Compliance Program Oversight & Effectiveness

Notes: There are no known material compliance violations as related to regulatory, legal or university policies.
# VCU - Audit and Compliance Services

## Estimated Expenses - Fiscal Year 2020-21

<table>
<thead>
<tr>
<th>Audit &amp; Management Services</th>
<th>Compliance Services</th>
<th>Total</th>
<th>Prior Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries/Wages</td>
<td>$885,166</td>
<td>$271,948</td>
<td>$1,157,114</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>354,066</td>
<td>108,779</td>
<td>$462,845</td>
</tr>
<tr>
<td>Total Personnel Costs</td>
<td>1,239,232</td>
<td>380,727</td>
<td>$1,619,959</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>90,000</td>
<td>63,000</td>
<td>$153,000</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$1,329,232</td>
<td>$443,727</td>
<td>$1,772,959</td>
</tr>
</tbody>
</table>
## Audit and Compliance Services
### Staff Credentials
#### University Audit and Management Services
##### Integrity and Compliance Office

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Hire Date</th>
<th>Education</th>
<th>Credentials/ Advanced Degrees</th>
<th>Years of Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karen K. Helderman</td>
<td>February, 2019</td>
<td>BS, Accounting</td>
<td>CPA; CISA; PMP MBA</td>
<td>34 – Audit/Compliance</td>
</tr>
<tr>
<td>Executive Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>David M. Litton</td>
<td>March, 1994</td>
<td>BS, Accounting and Information Systems</td>
<td>CPA; CISA; CGFM; CGEIT; CRMA</td>
<td>20 – Internal Audit 5 – External Audit 6 – Information Technology</td>
</tr>
<tr>
<td>Director, Audit and Management Services, University and VCUHealth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacqueline L. Kniska</td>
<td>July, 2011</td>
<td>BA, Political Science</td>
<td>JD; CHC; LPEC</td>
<td>13 – Ethics and Compliance 5 – Legal</td>
</tr>
<tr>
<td>Chief University Integrity and Compliance Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anne Y. Sorensen</td>
<td>June, 2018</td>
<td>BS, Accounting</td>
<td>CPA</td>
<td>8 – Internal Audit 10 – External Audit 15 – Accounting/Finance</td>
</tr>
<tr>
<td>Deputy Director, University Audit and Management Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blake Bialkowski</td>
<td>April, 2020</td>
<td>BS, Business Information Technology</td>
<td>CISA, PMP</td>
<td>14 – External Audit 2 – Internal Audit</td>
</tr>
<tr>
<td>Deputy Director, IT Audit, University and VCU Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Janet W. Bishop</td>
<td>May, 2001</td>
<td>BS, Business Administration</td>
<td>CIA, CFE</td>
<td>17 – Audit 24 – Accounting</td>
</tr>
<tr>
<td>University Audit Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael A. Pointer</td>
<td>July 2019</td>
<td>BS, Liberal Arts</td>
<td>CompTIA A+ Certification JAMF Pro 200 Certification ITIL Foundations Certification</td>
<td>6 – Technology</td>
</tr>
<tr>
<td>IT Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Susan B. Donnell</td>
<td>March, 2017</td>
<td>BS, Commerce; concentration in Finance</td>
<td>CPA Post-Baccalaureate Certificate in Accounting</td>
<td>4 – Internal Audit 1.5 – External Audit 19 – Accounting &amp; Financial Services</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niveditha Sudharsan</td>
<td>April, 2019</td>
<td>BS, Finance</td>
<td></td>
<td>5.5 – External Audit 3 – Internal Audit</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name and Title</td>
<td>Hire Date</td>
<td>Education</td>
<td>Credentials/Advanced Degrees</td>
<td>Years of Experience</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------</td>
<td>---------------------------------------------------</td>
<td>------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>David J. Irving</td>
<td>January, 2015</td>
<td>BA, History/Political Science</td>
<td>CPA; CIA</td>
<td>9 – Internal Audit</td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td></td>
<td>MS, Accounting</td>
<td>15 – External Audit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthony T. Rapchick</td>
<td>April, 2016</td>
<td>BA, Psychology</td>
<td>JD</td>
<td>20 – Legal</td>
</tr>
<tr>
<td>Senior Compliance and Policy Specialist</td>
<td></td>
<td></td>
<td>CCEP</td>
<td>7 – Ethics and Compliance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donna Crawford</td>
<td>September, 2019</td>
<td>BS, Business Administration/Concentration in Information Systems</td>
<td>CISA</td>
<td>25 – Audit/Compliance</td>
</tr>
<tr>
<td>Special Projects and Quality Assessment Coordinator</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ashley L. Greene</td>
<td>September, 2012</td>
<td>BA, Psychology</td>
<td>CCEP</td>
<td>11 – Ethics and Compliance</td>
</tr>
<tr>
<td>Senior Integrity and Compliance Specialist</td>
<td></td>
<td></td>
<td>LPEC</td>
<td>1 – Other</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Credentials:**

- CCEP Certified Compliance and Ethics Professional
- CFE Certified Fraud Examiner
- CGEIT Certified in the Governance of Enterprise IT
- CGFM Certified Government Financial Manager
- CHC Certified in Health Care Compliance
- CIA Certified Internal Auditor
- CISA Certified Information Systems Auditor
- CISSP Certified Information Systems Security Professional
- CPA Certified Public Accountant
- CRISC Certified in Risk and Information Systems Control
- CRMA Certification in Risk Management Assurance
- LPEC Leadership Professional in Ethics and Compliance
- MBA Masters of Business Administration
- MPA Masters of Public Administration

**Department Memberships:**

- ACUA Association of College and University Auditors
- ACUPA Association of College and University Policy Administrators
- AGA Association of Government Accountants
- CUAV College and University Auditors of Virginia
- IIA Institute of Internal Auditors
- OCEG Open Compliance and Ethics Group
- SCCE Society of Corporate Compliance and Ethics

- **ACUA** Association of College and University Auditors
- **ACUPA** Association of College and University Policy Administrators
- **AGA** Association of Government Accountants
## Audit and Management Services
### Status of Fiscal Year 2019-2020 Audit Work Plan
#### August 30, 2020

<table>
<thead>
<tr>
<th>Area</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-based Audits</td>
<td></td>
</tr>
<tr>
<td>Prior Workplan: Network Management and Security</td>
<td>Completed</td>
</tr>
<tr>
<td>Prior Workplan: School of Medicine – Cardiology - Consolidated</td>
<td>Completed</td>
</tr>
<tr>
<td>Prior Workplan: Student Fees</td>
<td>Completed</td>
</tr>
<tr>
<td>Prior Workplan: Technology Services Desktop Services Operations and Systems</td>
<td>Completed</td>
</tr>
<tr>
<td>Prior Workplan: Selected Employment Separations Process</td>
<td>Completed</td>
</tr>
<tr>
<td>IT Facilities Management Department Systems</td>
<td>Completed</td>
</tr>
<tr>
<td>Budget Process Part 1</td>
<td>Completed</td>
</tr>
<tr>
<td>Research Administrative Management and IT Systems</td>
<td>Completed</td>
</tr>
<tr>
<td>Division of Inclusive Excellence</td>
<td>Completed</td>
</tr>
<tr>
<td>Degree Conferment Process</td>
<td>Completed</td>
</tr>
<tr>
<td>School of Dentistry</td>
<td>Completed</td>
</tr>
<tr>
<td>Residential Life and Housing Auxiliary Forecasting and Reserves</td>
<td>Completed</td>
</tr>
<tr>
<td>Siegel Center Operations and Athletics Fiscal Processes</td>
<td>In Progress</td>
</tr>
<tr>
<td>IT Human Subjects Research Information Security</td>
<td>Added - In Progress</td>
</tr>
<tr>
<td>VCU Card Office</td>
<td>Postponed</td>
</tr>
<tr>
<td>Office of Research and Innovation – Integrity and Compliance</td>
<td>Postponed</td>
</tr>
<tr>
<td>Office of Strategic Enrollment Management</td>
<td>Postponed</td>
</tr>
<tr>
<td>IT Integrated Systems/ERP Management and Security</td>
<td>Postponed</td>
</tr>
<tr>
<td>IT Authentication Systems Management</td>
<td>Cancelled</td>
</tr>
<tr>
<td>Engineering and Utilities</td>
<td>Cancelled</td>
</tr>
</tbody>
</table>
# Audit and Management Services

## Status of Fiscal Year 2019-2020 Audit Work Plan

**August 30, 2020**

### Annual Engagements and Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow-Ups on Audit Recommendations Outstanding – FY19</td>
<td>Completed</td>
</tr>
<tr>
<td>Review of President’s Discretionary Accounts – FY18</td>
<td>Completed</td>
</tr>
<tr>
<td>Athletics – Year 3 NCAA Compliance Review</td>
<td>Completed</td>
</tr>
<tr>
<td>Review of President’s Discretionary Accounts – FY19 and Leave Analysis</td>
<td>Completed</td>
</tr>
<tr>
<td>VCU Police Department – Review of Evidence Room – Part 1</td>
<td>Completed</td>
</tr>
<tr>
<td>ERM Emergency Preparedness – Selected Mitigation Controls Review</td>
<td>Completed</td>
</tr>
<tr>
<td>Follow-Ups on Recommendations Outstanding – FY20</td>
<td>Completed</td>
</tr>
<tr>
<td>Risk Assessment – FY21</td>
<td>Completed</td>
</tr>
<tr>
<td>VCU Police Department – Review of Evidence Room – Part 2</td>
<td>Completed</td>
</tr>
<tr>
<td>IT Technology Services Risk Assessment Management</td>
<td>Postponed</td>
</tr>
</tbody>
</table>

### Special Project

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Employees Fraud, Waste, and Abuse Hotline</td>
<td>In Progress – 0; Closed – 4</td>
</tr>
</tbody>
</table>

### Continuing Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Workplan: Enterprise Centers and Institutes</td>
<td>Completed</td>
</tr>
<tr>
<td>Financial Aid Work Study</td>
<td>Completed</td>
</tr>
<tr>
<td>Department of Psychology Purchase Card</td>
<td>Completed</td>
</tr>
<tr>
<td>College of Engineering Lab Usage</td>
<td>Completed</td>
</tr>
<tr>
<td>Purchase Card PayPal and Amazon Analysis</td>
<td>Completed</td>
</tr>
<tr>
<td>Chemistry Department Petty Cash</td>
<td>Completed</td>
</tr>
</tbody>
</table>
Audit and Management Services
Status of Fiscal Year 2019-2020 Audit Work Plan
August 30, 2020

<table>
<thead>
<tr>
<th>Special Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Life &amp; Housing</td>
<td>Completed</td>
</tr>
<tr>
<td>NIH</td>
<td>Completed</td>
</tr>
<tr>
<td>Mansion Building</td>
<td>Completed</td>
</tr>
<tr>
<td>Parking Event Ticket/Collections</td>
<td>Completed</td>
</tr>
<tr>
<td>Gladding Residence P3</td>
<td>Completed</td>
</tr>
<tr>
<td>College of Engineering</td>
<td>In Progress</td>
</tr>
<tr>
<td>Safeguard Compliance Rule</td>
<td>In Progress</td>
</tr>
<tr>
<td>Authentication of Vendor Information</td>
<td>Postponed</td>
</tr>
<tr>
<td>Web Services and Application Security – Special Project</td>
<td>Cancelled</td>
</tr>
<tr>
<td>University Internet of Things (IoT) – Special Project</td>
<td>Cancelled</td>
</tr>
</tbody>
</table>
VCU Audit and Management Services

Audit Survey Results

At the completion of each audit, we request that the audited department evaluate our performance in 12 specific areas and provide comments or recommendations that might help to improve our services. We provide a copy of the survey to management at the planning stage of our audit so that management can consider the evaluation criteria throughout the process.

The survey is conducted online and the results are returned directly to the Executive Director. We also welcome comments and phone calls about any concerns or issues with the audit. Based on the results, we may request additional information from the department. We accumulate the results to be reported to the Board of Directors at the end of each fiscal year.

During the fiscal year 2019-2020, 12 surveys were completed, the numerical results of which are summarized below. The average of all responses this year was 3.51 on a 4-point scale, which is higher than the FY19 average of 3.45.

<table>
<thead>
<tr>
<th>Survey Item</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The audit process was clearly explained prior to the start of the audit work.</td>
<td>3.67</td>
</tr>
<tr>
<td>2. The audit staff solicited suggestions from management as to areas of possible audit coverage.</td>
<td>3.78</td>
</tr>
<tr>
<td>3. The final audit objectives were reviewed with appropriate departmental personnel early in the audit process.</td>
<td>3.44</td>
</tr>
<tr>
<td>4. The process of issuing the audit report, including distribution and resolution of potential business issues and recommendations, was explained to management at the beginning of the audit.</td>
<td>3.78</td>
</tr>
<tr>
<td>5. The audit staff had or obtained a sufficient working knowledge of the operations and systems of your department, including current technology and current events.</td>
<td>3.00</td>
</tr>
<tr>
<td>6. The audit staff was willing to provide advice and assistance to personnel in the department.</td>
<td>3.83</td>
</tr>
<tr>
<td>7. The audit staff kept management informed throughout the audit regarding potential audit business issues.</td>
<td>3.58</td>
</tr>
<tr>
<td>8. The audit was completed within a reasonable time frame. Any delays in completing the audit were explained to management.</td>
<td>3.25</td>
</tr>
<tr>
<td>9. The audit results in minimal disruption of operations in the department.</td>
<td>3.33</td>
</tr>
<tr>
<td>10. The business issues in the audit report were accurately stated.</td>
<td>3.42</td>
</tr>
<tr>
<td>11. The recommendations in the audit report were useful and relevant.</td>
<td>3.42</td>
</tr>
<tr>
<td>12. The audit report contained adequate explanations for the business issues and recommendations.</td>
<td>3.58</td>
</tr>
</tbody>
</table>

4 = Strongly Agree; 3 = Agree; 2 = Disagree; 1 = Strongly Disagree
Response Plan to Recommendations Resulting from
Institutional Ethics and Compliance Program Design & Effectiveness

The chart below shows all itemized recommendations and our responses, including a plan of action. We ranked the recommendations using risk-based ranking criteria and available resources to establish the following tiers:

- **Tier 1** - actions have begun or will begin in FY20, to be completed by end of FY21
- **Tier 2** - actions are anticipated to begin in FY21 and completed by FY22-23
- **Tier 3** - actions are considered reaching the most mature point of a compliance program. We will assess these recommendations in FY22 and choose whether to begin an action or defer.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Program Element Recommendation</th>
<th>Response to Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Include the CECO in Cabinet level and senior staff meetings to provide program updates and coordinate with senior-most leaders.</td>
<td>Agreed. Cabinet access provided by the Executive Director of ACS who will coordinate with the CECO position as needed. Other senior staff meeting agendas are open for requests.</td>
</tr>
<tr>
<td>1</td>
<td>Document the access of the CECO to the appropriate committee of the Board of Visitors and the frequency with which the CECO should provide updates to that committee.</td>
<td>Agreed. Access is provided in practice but not documented to the expected level of detail. To be documented in the May 2020 update to AICC meeting planner and charter and ACS departmental charter.</td>
</tr>
<tr>
<td>2</td>
<td>Evaluate ICS staffing levels, given disparity between VCU and relevant peer groups. Consider the addition of 1 or 2 FTEs or grad-level intern program.</td>
<td>Delayed, resource issue. Developing a list of potential risk due to staffing limitations or funding limitations. In the interim, initiatives (work plans) and annual goals are leveraged against risk based needs and available staffing. The AICC will remain apprised of status and any unmitigated risks.</td>
</tr>
<tr>
<td>3</td>
<td>Implement an ambassador program for Ethics and Compliance</td>
<td>Delayed, resource issue. Low risk, high reward if properly supported and incented.</td>
</tr>
<tr>
<td>1</td>
<td>Continue to ensure effective use of the Compliance Advisory Committee (CAC) to address the possibility of silos of expertise as</td>
<td>Agreed. Formalization of E&amp;C function continues to support this recommendation – for example: inclusion of function in strategic</td>
</tr>
</tbody>
</table>
highlighted in the ERM section of the Integrity and Compliance Annual Report.

<table>
<thead>
<tr>
<th></th>
<th>Consider whether smaller CAC groupings for specific topics (subcommittees) might further work.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. Active for both training curriculum and communications per other recommendations. Safety, Conflicts of Interest and Improper Foreign Influence are pending.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Enhance the presence of leadership in training courses.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Delayed. Leadership presence is included in some training courses with planned expansion as we create new curriculum.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Expand demographics and enhance participation in future culture survey initiatives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. Have commitments to partner and share results with HR, Inclusive Excellence and Institutional Research.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Make Code of Conduct readily available on VCU’s website on the home page or “Mission and History” page.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Disagreed. The Code is placed on the faculty and staff homepage as this is the audience to whom it most relates.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Consider addressing additional risk areas.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. An Ethics and Compliance Dashboard Initiative is underway which will help identify risk. E&amp;C also has presence at ERM meetings to increase risk awareness.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Revise Code of Conduct to lower grade level and simplify language.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Disagreed. Readability is acceptable to our audience. Concepts like retaliation, Export Controls, International Presence and Foreign Corrupt Practices Act cause the readability score to rise.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Move the “decoding our code” page to the beginning.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Completed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Lower grade level of policies.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Disagreed. Readability statistics are provided to policy drafters during review phase, goal is 11th grade reading level. Some topics cause the readability score to rise.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Develop a Foreign Corrupt Practices Act or anti-bribery policy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. In progress with Global Education Office.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Create a true Supplier Code of Conduct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. In progress with Procurement Office.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Create a multi-year training plan/curriculum and schedule.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. In progress. Training needs survey responses returned and currently being assessed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Keep learners engaged through mature training mechanisms such as progressive course difficulty, pre-tests and self-directed topics.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Delayed, resource issue. Some aspects of this are implemented however not systemically.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Review current systems to identify places where “just in time” training can be deployed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreed. In progress with interdisciplinary group, subcommittee of CAC.</td>
</tr>
</tbody>
</table>

---

**February 2020 AICC Update**
<table>
<thead>
<tr>
<th>Number</th>
<th>Task Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Use positive incentives to encourage training completion such as a reward for departments who complete the training first; consider an initiative that is led by senior personnel.</td>
<td>Delayed, resource issue.</td>
</tr>
<tr>
<td>1 to 2</td>
<td>Further equip managers with information (and resources) about their responsibilities to support the program by means of a learning curriculum for current managers and onboarding new managers, as well as periodic refreshers; link completion to the performance evaluation.</td>
<td>Delayed, resource issue and complexity of recommendation. Efforts are being made to document required reporting of certain information and formalization of the ethics and compliance program responsibilities within the broader university community. Combining efforts with Human Resources and other training focused initiatives to develop and deliver curriculum for managers.</td>
</tr>
<tr>
<td>3</td>
<td>Establish a mentor program for experienced managers to mentor newer managers.</td>
<td>Delayed, due to low risk.</td>
</tr>
<tr>
<td>2</td>
<td>Deploy a two-year, cross-functional communications plan that incorporates training and communications strategies together.</td>
<td>Agreed. In progress with interdisciplinary group, subcommittees of CAC. Efforts needed before a coordinated plan can be finalized.</td>
</tr>
<tr>
<td>3</td>
<td>Leverage the relationship with other leaders to diversify the voices delivering the integrity message around VCU.</td>
<td>Delayed. We are actively leveraging communication channels, such as the President’s Blog and compliance videos. More initiatives will occur as we develop new training curriculum.</td>
</tr>
<tr>
<td>2</td>
<td>Measure training effectiveness through a routine survey to compliance partners asking for topics they are receiving the most questions about; spot-quizzes to employees to check for retention and/or click rates for policies and resources.</td>
<td>Delayed, due to low risk.</td>
</tr>
<tr>
<td>1</td>
<td>Bolster the current risk assessment process using systematic metrics, such as usage of ICS resources; consider adding questions to internal audits to assess awareness.</td>
<td>Agreed. Developed collective E&amp;C Dashboard that Compliance Partners will use to measure the program. Metrics will focus on deviations from medians and benchmarks from peers. CECO also included in ERM and internal audit planning sessions.</td>
</tr>
<tr>
<td>2</td>
<td>Identify places where budget and risk appetite could be more closely aligned to bolster risk assessments.</td>
<td>Delayed, resource issue. Working with ERM and Internal Audit to increase understanding of high risk compliance areas.</td>
</tr>
<tr>
<td>2</td>
<td>Perform root cause analysis on all substantiated and unsubstantiated cases.</td>
<td>Delayed. Insufficient resources to perform root cause analysis on unsubstantiated cases. Root cause analysis will be emphasized in response to recommendation below calling for us to develop a unified investigation process.</td>
</tr>
<tr>
<td></td>
<td>Task Description</td>
<td>Status</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>1</td>
<td>Continue work to integrate case management systems so there is one system of record; if multiple systems are used, ensure rigorous coordination.</td>
<td>Agreed. Working to formalize the compliance program, including the mandated use of the case management system unless formal exception is granted. Ongoing consideration of merging student case management system into the larger, university-wide system, Convercent. This consolidation would entail an additional cost as well as the need to for additional reporting features, benchmarking, insights and lines of sight for responsible leadership in these areas.</td>
</tr>
<tr>
<td>1</td>
<td>Develop a unified investigation process.</td>
<td>Agreed. A policy setting unified and consistent minimum standards related to this work is in progress. The policy will include root cause analysis.</td>
</tr>
<tr>
<td>2</td>
<td>Ensure consistent root cause designation for all cases.</td>
<td>Duplicate item from above. Delayed – Insufficient resources to perform root cause analysis on unsubstantiated cases. Root cause analysis will be emphasized in response to recommendation above calling for us to develop a unified investigation process.</td>
</tr>
<tr>
<td>1</td>
<td>Develop an online proxy report pathway for all managers.</td>
<td>Agreed. Pathway exists, however decisions need to be made regarding training and support and then roll out and a communication plan.</td>
</tr>
<tr>
<td>1</td>
<td>Continue implementation of new processes around individual and institutional conflicts of interest monitoring.</td>
<td>Agreed. Currently in pilot phase. E&amp;C Annual Training provided in Fall 2019 will be on identification and disclosure of conflicts of interest.</td>
</tr>
<tr>
<td>1</td>
<td>Provide all managers with standalone manager-specific training on retaliation.</td>
<td>Agreed. Scheduled for delivery Spring/Summer 2020. Fall 2019 training will focus on Conflicts of Interest for all employees.</td>
</tr>
<tr>
<td>1</td>
<td>Review the current ways in which VCU is monitoring those employees who raise concerns for indications of retaliation across reporting channels, and consider a process where the organization explicitly and regularly checks back in with those individuals after the close of an investigation.</td>
<td>Agreed. Completed for investigations conducted by ICS and working with other functional and operations areas to monitor and share information this with ICS.</td>
</tr>
</tbody>
</table>

*February 2020 AICC Update*
 STATUS OF
FY 2020 Ethics and Compliance Program Risk Based Initiatives

Maintenance of VCU’s Ethics and Compliance Program is substantively driven by the Federal Sentencing Commission’s Sentencing Guidelines, Chapter 8, which provide for the basic and necessary minimum elements of an effective Ethics and Compliance Program; it is also driven by our own mission and values reflected in our Code of Conduct and university policies; sound business sense; risk acceptance and the needs of the organization. Continually playing an integral role in setting and upholding accountability within VCU’s culture and overall risk mitigation processes, the resulting initiatives were set for FY20 in May of 2019 and this report provides a final status update as of April 1, 2020 before approving new initiatives for FY21. The May meeting of the Board’s Audit, Integrity and Compliance Committee reviews and approves the program’s Annual Initiatives (workplan) for the upcoming fiscal year; therefore, this update is needed at the same meeting in order to hold those who run, oversee and contribute to, this program responsible for reasonable progress and effectiveness.

Initiatives herein are designed to reduce potential wrongdoing, increase the likelihood that when wrongdoing does occur it will be made known to management and increase the likelihood that VCU will responsibly handle suspected and substantiated wrongdoing, thus preserving the public’s trust and the integrity and reputation of a responsible university.

Selected projects reflect a balancing of capacity, prioritization and where a devotion of additional resources is necessary to address, or continue, assurance of compliance requirements; ethical behaviors; and overall institutional integrity. Most of the topics below traverse multiple years due to the scope and size of the efforts. Year over year progress is demonstrated with a stoplight coloring indicator and any obstacles to these plans are shared with the Audit, Integrity and Compliance Committee of the Board of Visitors as the university’s governing authority.

Note: These activities reflect known data points and information established from the collaborative relationships our ethics and compliance partners and other key stakeholders. Those items marked ongoing or holding, are a direct result of a vacancy absorbed turned into a universitywide hiring freeze or the adjustments required as a direct effect from the COVID-19 disruption.

Green: Complete or to be complete within FY
Yellow: Significant progress continues but not complete within FY
Red: No progress of significance or on hold due to unexpected circumstances

FY 2020 Initiatives:

Continue providing the BOV and senior leadership (as applicable) timely reports of successes; efficiencies; challenges; obstacles; and violations of ethics and compliance matters. Consider formal resolutions for program requirements and organizational need. More specifically focused on:
Effectiveness Review of Ethics and Compliance Program

- **COMPLETE** Prepare comprehensive response to Ethisphere’s findings and recommendations – includes exploratory phase with compliance partners and key stakeholders
- **COMPLETE** Complete self-assessment and results comparison with the national Ethics and Compliance Initiative cohort
- **COMPLETE** Report Findings and Recommendation Response to BOV, Cabinet, Compliance Advisory Committee, Enterprise Risk Management Committee, internal ACS, ICO staff and other key stakeholders
- **COMPLETE** Prioritize activities focused on the four key recommendations:
  - Develop Regular Training Program for All Managers
  - Streamline Communication Planning
  - Consider ICO Staffing and Ethics Ambassador Program and Review Reporting Line for CECO
  - Continue Consolidation of Case Management Systems

Integrity and Compliance Office Reporting to BOV Audit, Integrity and Compliance Committee

- **COMPLETE** Bolster Annual Issues and Events reporting results with enhanced analytics insights and benchmarking from central case management platform, includes higher education cohort
- **HOLDING** Provide dashboard format of ethics and compliance metrics informing risk assessment; solicit input; and establish risk appetite – working toward standardized quarterly reporting
- **COMPLETE** Ethisphere’s Design and Effectiveness Review Response to Recommendations Plan – see details above

COI Program Enhancement - Enhancements are needed regarding training, policy approval, use of electronic solution for disclosures and management plans; in particular, compliance with more than 10 federal regulations, accreditation standards, and best practices in organizational governance, risk, and ethics and compliance industries. Utilization of an enhanced process of interest reporting contributes to both the Board and the departmental charter compliance by providing required assurances to the Audit, Integrity and Compliance Committee of the BOV.

- **ONGOING** Fully implement policy and software solution for disclosing interests and managing conflicts
  - To include set expectations; required reporting; compliance with required committee review process; and managing of identified conflicts
- **ONGOING** Creation of formal Interest Disclosure Review Committee – to include training on expectations outlined in policy’s requirements
- **COMPLETE** Continued guidance responding to inquiries related to proactive avoidance, or response to disclosed institutional conflicts and conflicts of commitment
- **COMPLETE** Continued service as liaison to Commonwealth for mandated state disclosure
Employee Ethics and Compliance Training and Accountability

- **HOLDING** Integrate ethics related actions and other positive ethics incentives into performance evaluations - initial phase, pilot cohort
- **COMPLETE** Execution of annual employee compliance training – includes reflexive content based on initial assessment of knowledge base accompanied by role and duration of employment
- **HOLDING** Develop and conduct role-based training for managers: Anti-retaliation
- **ONGOING** Develop and conduct role-based training for internal workplace investigations
- **COMPLETE** Execution of high profile awareness events during National Ethics & Compliance Week, November 2019 - offered to employees and students
- **COMPLETE** Continued in person participation in new employee orientations and new chair training / development; online content delivery; and other custom requests to individual units

Gap and Risk Assessment Activities

- **COMPLETE** Continue quarterly oversight monitoring for timely compliance reporting through responsible parties outlined in compliance calendar: Federal regulatory reporting requirements
- **COMPLETE** Establish universitywide listing of state Code requirements and execute plan to assess compliance status
- **COMPLETE** Support unique compliance needs in the university’s areas of health care activity
- **ONGOING** Standardize core elements of internal workplace investigations - includes training and policy
- **ONGOING** Identify risk owners for enhancing Volunteers Program - explore decentralized risk and accountability model and centralization feasibility for identification; screening; tracking and reporting
- **HOLDING** Reconstitute Compliance Advisory Committee or consider senior leadership level committee to review advanced ethics and compliance metrics geared toward effectiveness and risk ownership, management / intelligence based on a maturity model rating

Government Relations Non-Routine Visits: **COMPLETE** Continued independent oversight and support to university community in preparation for, and in response to, regulator inquiries, reviews and investigations

Policy Program – for all universitywide policies

- **COMPLETE** Continue providing seminal policy reminders and tips for compliance to broader university community
- **COMPLETE** Continued gap assessment based on size, scope and complexity of university, and industry trends and standards
- **COMPLETE** Continued support in policy creation, drafting, revision and required governance processes
Continued Participation and Resource Support and Assistance to various ethics and compliance-oriented groups and committees

- **COMPLETE** National Prominence - contributing member for University Compliance Leaders Group
- **COMPLETE** State Prominence - contributing member to state cohort for E&C work in higher education
- **COMPLETE** Continue serving as the second line of defense support to all operations units with VCU
- **ONGOING** Work toward being utilized as a strategic business partner
- **COMPLETE** Participation and leadership provided to over 15 universitywide committees and taskforces; some committee involvement holding until vacancy filled
- **COMPLETE** Active memberships and participation with external groups – Society of Corporate Compliance and Ethics – Higher Education Section and General Section; Ethics and Compliance Initiative; Association of College and University Policy Administrators
- **COMPLETE** The commitment to internal staff development remains as well as support for maintaining current industry certifications

Internal Workplace Investigations

- **COMPLETE** Oversight of Alleged Misconduct Reports / Non-compliance Issues
- **COMPLETE** Conduct investigations when suspected patterns or practices of misconduct, non-compliance, or unduly sensitive issues arise

- **COMPLETE** State Regulatory Coordinator (liaison to Commonwealth for VCU)
- **COMPLETE** Agency Coordinator for Conflict of Interest disclosures to the Commonwealth

As a reminder, this committee will be receiving the Integrity and Compliance Annual Report and highlights at the September 2020 meeting.

The anticipated effect of providing the upcoming fiscal year’s Program Initiatives at the May Meeting, and the Annual Report at the September Meeting, is to assure existing mechanisms keep this committee abreast of efforts demonstrating effectiveness of VCU’s Ethics and Compliance Program.

This committee has been deemed through its enacted Charter to be the appropriate authority to oversee the Ethics and Compliance Program. If there are suggestions or recommendations from the committee, please contact the Executive Director of Audit and Compliance Services or the University Chief Ethics and Compliance Officer.
Residential Life and Housing
Auxiliary Forecasting and Reserves

Final Report
August 24, 2020

Audit and Compliance Services
Overview

Residential Life and Housing (Housing) is one of VCU’s five major auxiliary enterprise programs (auxiliary). As an auxiliary, Housing is expected to be self-supporting and operate like a business, generating enough in revenue to pay its expenses and maintain reserves to fund future repairs and renovations.

Housing operates all twelve of the VCU residence halls but owns only ten. American Campus Communities (ACC), a public-private partnership, owns the newest residence hall. Gladding Residence Center (GRC) and the VCU Real Estate Foundation (Foundation) owns Broad and Belvidere. Housing has 6,076 available beds of which 1,518 are ACC owned; 487 are Foundation owned; and 4,229 are VCU owned. Housing offers a variety of options to students, including some nine or twelve month apartments.

Financial Operations

As shown in Table 1, Housing’s planned spending and operations have required a net cash outflow in each of the fiscal years (FY) since FY 2017. An analysis of the factors contributing to this use are described below.

<table>
<thead>
<tr>
<th>Housing Operations (000’s)</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>YTD May 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$36,333</td>
<td>$31,410</td>
<td>$31,509</td>
<td>$32,490</td>
<td>$25,168</td>
</tr>
<tr>
<td>Less Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>3,230</td>
<td>3,574</td>
<td>5,003</td>
<td>5,598</td>
<td>4,453</td>
</tr>
<tr>
<td>Non-Personnel – See Note A</td>
<td>15,372</td>
<td>12,128</td>
<td>16,134</td>
<td>14,934</td>
<td>10,762</td>
</tr>
<tr>
<td>Debt Service</td>
<td>11,505</td>
<td>11,741</td>
<td>11,778</td>
<td>12,307</td>
<td>12,011</td>
</tr>
<tr>
<td>Other Transfers – Net – See Note A</td>
<td>3,318</td>
<td>3,676</td>
<td>(491)</td>
<td>2,022</td>
<td>635</td>
</tr>
<tr>
<td>Subtotal</td>
<td>33,425</td>
<td>31,119</td>
<td>32,424</td>
<td>34,861</td>
<td>27,861</td>
</tr>
<tr>
<td>Net prior to Contributions</td>
<td>$2,908</td>
<td>$291</td>
<td>$(915)</td>
<td>$(2,371)</td>
<td>$(2,693)</td>
</tr>
<tr>
<td>Less Contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LLP</td>
<td>931</td>
<td>931</td>
<td>931</td>
<td>931</td>
<td>931</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>931</td>
<td>931</td>
<td>931</td>
<td>931</td>
<td>931</td>
</tr>
<tr>
<td>Net Increases (Decreases) to Reserves</td>
<td>$1,977</td>
<td>$(640)</td>
<td>$(1,846)</td>
<td>$(4,302)</td>
<td>$(4,624)</td>
</tr>
</tbody>
</table>

Source: Banner
Note A – Includes planned use of reserves

Housing revenue decreased from FY 2016 to FY 2017, due to the closing of the older Gladding Residence Centers I and II and the Low Rise Halls. Since FY 2017 and prior to COVID-19, Housing has maintained stable revenue resulting from rental rate increases over a period of years during which VCU ownership of assignable beds decreased from 4,653 in FY 2017 to 4,229 in FY 2020 due to the closing of Cabaniss Hall.

Although revenue remained stable since FY 2017, personnel expenditures grew. VCU prepaid
$3.1 million to lease GRC space from ACC and Housing funded planned repairs and renovations. Debt service continued to represent a significant expenditure; however, VCU will pay off the bonds for the Honors College and Gladding Residence Center III in FY 2023, reducing debt service by $1.1 million after that time. Housing has contributed annually $931,000 to student financial aid since 2014 and in 2019 began making an annual $1 million payment to support Living Learning Programs (LLP) for the university to provide residential-academic experiences for upperclassmen.

**Reserves**

In order to be self-supporting as an auxiliary, Housing is required to accumulate, or reserve, cash for contingencies and to pay for future residence hall repairs and renovations. Over the years Housing has held reserved cash, but its balance has declined each year since 2016 as a result of the annual outflow of cash that exceeds its revenue. This was primarily the result of contributions to LLP and student financial aid; prepaying a lease for space in GRC; and adding hourly workers as residence hall access monitors in FY 2018, in addition to planned repairs. Graph 1 below shows the annual change in reserves since FY 2016.

![Graph 1](image)

The State Council of Higher Education for Virginia (SCHEV) provides guidance about recommended reserve levels in the following three categories: 1) operating; 2) renewal and replacement; and 3) major renovation or acquisition reserves.

**Operating**

Operating reserves are expected to provide for reasonable cash flows to support a working capital component to meet seasonal operating expenditures and a contingency component to withstand dramatic financial events that were not anticipated. SCHEV recommends working capital equal to 6 to 18 percent of annual expenses, plus a 4 percent contingency. Housing uses 6 plus 4 percent,
respectively, (or 10 percent) as its goal.

Renewal and Replacement

Renewal and replacement reserves are to be established in order for an auxiliary to have a long-term strategy in place to maintain its service. Amounts to be set aside should cover repair, improvement, renovation and replacement needs of long-lived assets.

- SCHEV recommends a renewal and replacement reserve of 10 percent of equipment, such as heating and ventilation systems, replacement value. Housing uses 10 percent as its goal.
- SCHEV does not recommend a specific percent for facility maintenance; however, the National Association of College and University Business Officers recommends 1.5 to 3.5 percent for such maintenance. Housing uses 1.5 percent of the building replacement value, which approximates the annual depreciation amount, as its goal.

Major Renovation or Acquisition

Major renovation or acquisition reserves can be established to provide funding for new facilities or equipment and to reduce reliance on debt financing. SCHEV recognizes that this type of reserve balance would be based on the individual needs of each institution and does not designate a required amount. Funds cannot accumulate more than four years prior to the planned initiation date of the project. VCU does not accumulate reserves for major renovation or acquisition.

VCU requires that each auxiliary maintain their reserves in accordance with the above defined SCHEV guidance as prescribed for both the operating and renewal and replacement reserves.

Forecasts

Housing works with the Division of Student Affairs (Student Affairs) annually to develop a rolling five year financial forecast based on occupancy and projected expenses, including repairs and renovations. These forecasts serve as the basis for longer term planning for things such as setting Housing rates, estimating operational expenditures and the use of reserves for necessary repairs and ongoing maintenance of residence halls. Graph 2 below expands on the data in Graph 1 to show Housing’s forecasted cash reserve for FY 2020 through 2024 compared to the reserve requirement adopted by VCU. Based on this forecasted information and before COVID-19, Housing estimated it will have less than $1 million in cash reserves beginning in FY 2021, an amount that is over $5 million short of the VCU required reserve for contingencies and repairs and renovations.
Effect of COVID-19 on Forecasted Reserve Balances

The COVID-19 pandemic resulted in Housing refunding approximately $6.8 million to students. Of that total, approximately $570,000 was for Foundation owned residence halls, $1.6 million for ACC owned residence halls, and $4.6 million for VCU owned residence halls. The Foundation is expected to reimburse VCU for the amount paid relating to the Foundation owned residence halls.

To offset the refunds to students, Housing reduced expenditures following the closure of residence halls. Savings resulted from a reduction in hourly workers needed to monitor the entrance to the residence halls, targeted cuts to spending and a deferral of approximately half of Housing’s planned $5 million in repairs and renovations. Housing ended FY 2020 with $4.9 million in reserves, which is about $1.3 million less than their forecasted reserve balance for FY 2020 as shown in Graph 2 above.

Although it is too soon to assess the full impact of COVID-19 on Housing, Graph 3 as follows shows the result of the refund, net of the Foundation’s reimbursement and inclusive of the expenditure savings described above, on the reserve forecast for FY 2020 to 2024. In this scenario, absent any other mitigating actions or changes to the original five year forecast, by FY 2021 Housing will have a negative cash reserve balance of $395,000, which is $7.8 million short of the recommended reserve for contingencies and repairs and renovations. VCU leadership is currently evaluating the possibility of reimbursing Housing for at least some of the refunds paid to students using CARES money the university received.
Purpose

The objectives of the audit were to determine whether:

- Forecasting was adequate
- Reserves balances were adequate

Scope and Audit Procedures

Our scope of the Residential Life and Housing Auxiliary Forecasting and Reserves encompassed an audit of five year forecasts for FY 2019 and FY 2020. This audit was performed based on evidence available prior to COVID-19 and did not review assumptions made by Housing after knowledge of the pandemic.

Our audit procedures included the following:

- Interviews with Housing and the Student Affairs management
- Inquiry with VCU Treasury Department management
- A review of five year financial forecasts for FY 2019 through 2023 and FY 2020 through 2024 for completeness of revenues and expenditures, accuracy, an evaluation of assumptions, and a reasonableness comparison to actual operating results
- A review of the financial forecasts developed by ACC for the Gladding Residence Center, minutes of quarterly meetings between ACC and VCU Housing staff, and contract monitoring processes
- Evaluation of Housing reserves against SCHEV and University Controller’s Office expectations in the application of the SCHEV guidance

**Summary of Major Business Issue and Management’s Action Plan**

**Improve Forecasting and Build Reserve Balances**

Housing’s five year forecast for FY 2020 through 2024 contained errors and although Housing indicated they prepared multiple operational scenarios, none were available for our review. We observed the following.

- Housing did not include some of the new indirect costs provided to them by The Office of Budget and Resource Analysis (Budget Office). Correct amounts were included for FYs 2020 and 2021, but not for FYs 2022 through 2024. If the correct indirect costs were included, forecasted expenditures would have increased by approximately $160,000, $284,000 and $407,000 respectively for FYs 2022 through 2024, causing a combined negative impact on forecasted reserves of $851,000.

- The majority of Housing’s non-personnel expenditures were projected to increase at 2% annually to correspond with the Higher Education Cost Index (HEPI - similar to the Consumer Price Index but only for colleges and universities). We determined that the HEPI was estimated at 2.8% beginning in FY 2018 (when released to the public in December 2018). If the correct and higher HEPI rate had been used, forecasted non-personnel expenditures would have increased by approximately $96,000, $198,000, $304,000 and $414,000 respectively for FYs 2021 through 2024, causing a combined negative impact on forecasted reserves of $1,012,000.

- At the time the FY 2020 through 2024 forecast was prepared, a second P3 was proposed which would replace and close Honors following FY 2022. Although the P3 would provide VCU with additional beds, no additional income would be received by Housing since the new residence hall would be owned by the P3 vendor. The forecast did not properly consider that the P3 would remove $104,000 annually in net revenues over expenditures beginning in FY 2023 and that the related debt service of approximately $651,000 would be payable in FY 2023.

- Projected repairs and capital outlays in the supporting documents did not agree with the forecast summary. As an example, projected repairs and capital outlays in FY 2022 totaled $7 million; however, only $1.2 million was included in the forecast summary.

The effect of the errors and omissions outlined in the first three bullets above would have a combined negative impact of $2.7 million on reserves by FY 2024 and effectively reduce them to zero prior to that time.

The Executive Director of Financial Management and Technology Support Services for Student Affairs reviewed the forecast but did not identify these errors and omissions. In addition, nobody external to Housing identified the errors and omissions because VCU does not require auxiliaries
provide their extended forecasts to a central university governance position that reviews them for adherence to the SCHEV guidelines or for accuracy or reasonableness. Consequently, university leadership may not timely observe the long-term impact of interim operational decisions on items such as reserve balances, and may not use the long-term forecast while making strategic decisions. To facilitate accurate forecasts and accumulate healthy reserve balances, Housing should:

- Ensure that all costs and the correct costs are included in all forecast years.
- Produce and retain more than one forecasted scenario that evaluates the impact of modified revenues and changes in underlying expense assumptions on operations and reserves.
- Determine that the effect of expected changes, such as the replacement of residence halls, is considered throughout the forecast.
- Ensure that the supporting documents agree to amounts in the forecast summary.
- Maintain details about which repairs and renovations are critical to life and safety versus those that are not so that an experienced reviewer can easily assess what repair and renovation amounts may be deferred to a later date.
- Provide their five year forecast outlining best and worst case scenarios to the Office of the Vice President for Finance and Budget in an effort to improve transparency and assist the university with liquidity planning and long-term budgeting.

**Management’s Action Plan:** Concur. The Division of Student Affairs (DSA) Executive Director, Financial Management will:

- Add documentation to the forecasting model detailing all forecasting assumptions.
- Include the Associate Director for Financial Management in the development and review of the forecasts assumptions and costs.
- Create a shared drive to store forecasts and summary coversheets for each scenarios indicating key assumptions and their impact on revenues, expenses and reserves.
- Review all scenarios and their impact with the Housing Director.
- Modify the current forecasting model to include the effects of new or replacement residence halls and the impact on Housing for potential P3 scenarios.
- Review forecasts to ensure supporting tabs agree to the summary.
- Develop, in conjunction with the Housing Director, a tracking spreadsheet which captures repair and renovation projects, their progress, identifies those that are critical to life and safety, and identifies any deferred projects.

The current DSA Housing 5-year forecast model has historically been an internal working document. To improve forecast modeling to support universitywide financial decision-making, it is suggested that a work group form to develop a consistent set of projection requirements to include formatting, standard assumptions, reserve calculations, etc. for all auxiliary enterprise programs. Also, the current state reserve guidelines are nearly 30 years old and likely in need of review and revision. The work group could review current best practices across higher education institutions in order to develop new reserve guidelines for use by all VCU auxiliary enterprise programs.
Responsibility: DSA Executive Director, Financial Management
Completion date: May, 2021

Conclusion

In our opinion, based on the results of our audit, forecasting and reserve balances were not deemed adequate.

Prior to releasing this report in final form, the draft report was reviewed by, and management's action plans were provided or approved by, the following officials:

- Gavin Roark, Director, Residential Life and Housing
- Greg Vaeth, Director, Financial Management/Technology Support Services, Student Affairs
- Curtis Erwin, Associate Vice Provost, Student Affairs
- Charles Klink, Senior Vice Provost, Student Affairs
- Gail Hackett, Provost

Our audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Karen K. Haldeman
Executive Director
Audit and Compliance Services
Division for Inclusive Excellence

Final Report
April 21, 2020
Overview

The Office of the Vice President for Diversity and Equity (Office) was formed in 2012, whose focus was to strengthen VCU’s climate of equity, diversity and inclusiveness. In 2013, the Office was renamed the Division for Inclusive Excellence (Division). In February 2020, the Division was merged with Equity and Access Services, which includes the Title IX office, to become the Office of Institutional Equity, Effectiveness and Success (IES).

At the inception of this audit, the Division was a standalone unit, which is the focus of this report.

The Division plays an important role in promoting development of communities and supporting all individuals regardless of race, color, national origin, age, gender, religion, sexual orientation, political affiliation, veteran status and disability. The Division’s responsibilities include:

- Creating and promoting an environment of equity, diversity and inclusiveness
- Strengthening VCU’s core mission and culture of inclusion and diversity
- Engaging in promoting awareness and supporting the LGBTQIA+ community
- Providing education and consultation services with regards to diversity by increasing awareness, knowledge and skills
- Acting as a resource in handling issues related to access, diversity, excellence and inclusion

* Definition: Lesbian, gay, bisexual, transgender, queer/questioning, intersex, asexual and other orientations and identities

The Division has developed various programs to improve the university’s climate with regards to inclusion and diversity. Programs initiated by the Division include:

- **Culture and Climate Survey and Dashboard**: The culture and climate survey is administered every biennium and the results for units are presented in a dashboard.
- **Climatext**: Climatext is a phone messaging application co-invented by the Vice President for Institutional Equity and is used to collect real-time data on climate from students.
- **IExcel Education**: IExcel Education is a course and program compendium for faculty, staff and students that enhances empowerment of a fair and supportive university environment for all.
- **IExcel Mentoring**: IExcel Mentoring is a mentoring program that creates mentoring networks for VCU’s prominent faculty and staff and undergraduate students considered at-risk for dropout.
- **RAMmalogues**: RAMmalogues is a bi-weekly “diversity café” that provides a braver and safer space for students and faculty to discuss issues of significant import.
- **Q Collective**: The Queer Research and Advocacy Center (Q Collective) serves as a research and advocacy hub for LGBTQIA+ communities across multiple identities.
- **El Centro Latinx/Chicanx**: The center empowers faculty, students and alumni from Latinx communities by focusing on mentored research and professional development.
The Division’s permanent budget increased from $750,000 in fiscal year (FY) 2016 to $1,022,000 in FY 2020. In addition, temporary budget and carryforward amounts have fluctuated based on the Division’s needs. Chart 1 as follows is a graphical representation of the budget and actual amounts for FY 2016 through FY 2020 year-to-date as of December 2019. As demonstrated in FY 2019, the Division has effectively reduced its total expenditures to operate within its corresponding permanent budget by reducing meeting and travel expenses and discontinuing skilled services that were hired to create training programs. Our projection for FY 2020 suggests that this effort will remain within the permanent budget if spending remains consistent with the first half of FY2020. Since personnel cost is substantial and re-occurring, the Division has refrained from hiring more employees and has reduced its dependency on the temporary budget.

**Chart 1**

**Budget versus Actual Expenditures (000's)**

![Budget vs Actual Expenditures Chart]

YTD Dec – Represents FY20 expenditures year-to-date as of December 2019.
Source: Banner Finance Reports
Table 1 below represents primary costs related to non-personnel operating expenditures each year since 2016.

### Table 1

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20 as of 12/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers/Equipment</td>
<td>$ 5,000</td>
<td>$ 3,200</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Internal Cost Allocation</td>
<td>61,800</td>
<td>53,900</td>
<td>61,100</td>
<td>52,900</td>
<td>34,500</td>
</tr>
<tr>
<td>Property Lease</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,800</td>
</tr>
<tr>
<td>Skilled Services</td>
<td>40,100</td>
<td>335,800</td>
<td>198,600</td>
<td>32,200</td>
<td>8,400</td>
</tr>
<tr>
<td>Other Services</td>
<td>33,700</td>
<td>8,300</td>
<td>3,900</td>
<td>500</td>
<td>5,200</td>
</tr>
<tr>
<td>Supplies</td>
<td>33,100</td>
<td>25,000</td>
<td>19,700</td>
<td>26,100</td>
<td>23,700</td>
</tr>
<tr>
<td>Meeting/Travel</td>
<td>52,600</td>
<td>44,600</td>
<td>48,400</td>
<td>16,300</td>
<td>15,600</td>
</tr>
<tr>
<td>Academic Costs</td>
<td>-</td>
<td>-</td>
<td>38,300</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$226,300</strong></td>
<td><strong>$470,800</strong></td>
<td><strong>$370,000</strong></td>
<td><strong>$128,000</strong></td>
<td><strong>$96,200</strong></td>
</tr>
</tbody>
</table>

Source: Banner Finance Reports – rounded to the nearest hundredth

At present, the Division has eight employees. Of these eight, the Division compensates 100% of three full-time and two part-time employees. The Office of the Provost (Provost) shares three employees with the Division and compensates them between 50% to 75%.

### Purpose

This audit was performed at the request of Dr. Aashir Nasim, the Vice President for the Division effective April 2018, who had concerns over fiscal and administrative areas. Through discussion with Dr. Nasim and during the internal audit brainstorming of potential risks, the objectives of the audit were to determine the:

- Adequacy of fiscal and administrative processes
- Effectiveness of resource oversight

### Scope and Audit Procedures

The scope of the Division for Inclusive Excellence audit included an operational and fiscal audit of policies, procedures, and fiscal and administrative processes for fiscal year 2019 through the first half of fiscal year 2020. Specifically, the audit focused on whether:

- Budget management was sufficient to ensure operational effectiveness
- Personnel costs were allocated appropriately
- Selected fiscal and administrative processes were performed and monitored properly
- Personnel resources were utilized efficiently and effectively
- The Division’s work plan supports the goals of Quest 2025 and have been sufficiently vetted and monitored as to its implementation
Our audit procedures consisted of the following.

- Interviews with the Division’s management and staff to gain an operational understanding of processes and practices
- Review of:
  - Policies, procedures and program information
  - Agency Risk Management and Internal Control Standards (ARMICS) documentation
  - Peer institution diversity and inclusion websites
- Analysis of:
  - Budget processes and activity, including budget trends over fiscal years 2016 through 2020 year-to-date as of December
  - Personnel cost allocation
  - Roles and responsibilities of selected employees
- Testing of purchases, record retention practices and procedures, Banner index reconciliations and journal vouchers

Summary of Major Business Issue and Management’s Action Plan

Improve Fiscal and Administrative Processes

The Division did not have adequate fiscal and administrative controls as no one within the Division could:

- Provide evidence of monthly Banner index reconciliations
- Demonstrate timely records destruction by providing RM-3 forms
- Provide clear documentation of their ARMICS testing. It lacked details pertaining to areas of testing, sample selection, documents verified and any issues found
- Allocate all undistributed charge card supplies transactions to the correct account code

Prior to the audit, the Division’s Vice President (VP) identified concerns over fiscal and administrative controls, sought additional training and support for the fiscal staff responsible for this area, and requested an audit. During the time of this audit, the Division’s fiscal staff had separated employment and the other employees within the Division had specialized skills that made it unreasonable and inefficient to cross-train them in fiscal operations.

To improve the fiscal and administrative controls and to comply with the corresponding university policies and procedures, the VP should recruit a replacement fiscal staff or find another reasonable alternative and formalize the following responsibilities.
● Establishment of Banner reconciliation procedures, including the requirement that both the preparer and reviewer either electronically or manually sign and date Banner index reconciliations monthly.

● Development of records management procedures that comply with Virginia’s Public Records Act and VCU’s Record Management policy. In addition, the Division should take advantage of records management training offered by Technology Services to gain related maintenance and disposal knowledge.

● Preparation of ARMICS documentation. The VP should identify who will perform the ARMICS testing and approval tasks and both individuals (preparer and approver) should take advantage of the ARMICS training offered by the Controller’s Office to enhance compliance with university expectations for this area.

● Utilization of general ledger allocations within Bank of America (BOA) Works during the available five business day cycle. Using this allocation function will reduce the need for subsequent journal vouchers to transfer expenses to their appropriate accounts.

● Cross-training of employees to eliminate knowledge and process dependency on a single individual and provide for continuity of operations during absences.

The VP should have other areas not listed above evaluated, such as journal voucher preparation and review and inquire as to whether the university could offer a centralized shared service to provide fiscal support.

Management’s Action Plan: Concur

In January 2020, the Division consulted the Office of the President in the development of a shared services model that would allow for greater administrative and fiscal support. Since February 2020, the following items have been corrected.

(1) Provide evidence of monthly Banner index reconciliations. Since February 2020, Charleyne Kelley, Budget Analyst, Office of the President, has provided oversight for this matter and has updated the Division’s monthly reconciliation from July 2019 to present day. The Division will continue to work with Ms. Kelley to ensure this matter is addressed on a continuous basis.

(2) Allocate all undistributed charge card supplies transactions to the correct account code. As above-referenced, Charleyne Kelley has addressed this matter. Ms. Kelley will continue to provide oversight of this matter.

Beginning April 2020, the Division will work with the Office of the President to make certain the following items are completed in a timely manner:

(3) Demonstrate timely records destruction by providing RM-3 forms. This will be the responsibility of Stephen Davenport, Administrative Manager, Office of the President.

(4) Provide clear documentation of their ARMICS testing. This will be the responsibility of Stephen Davenport, Administrative Manager, and Charleyne Kelly, Budget Analyst.
Office of the President.
Responsibility: Dr. Aashir Nasim, Vice President of Institutional Equity, Effectiveness and Success
Completion date: December 2020

Conclusion

In our opinion, based on the results of our audit, fiscal and administrative processes were not adequate and we identified a matter that warranted board level attention. Alternatively, resource oversight was effective but we identified certain matters requiring management’s level attention that were included in a separate report furnished to management.

Our audit of the Division began on September 09, 2019. The first draft of this report was submitted to management on March 31, 2020.

Prior to releasing this report in final form, the draft report was reviewed by, and management’s action plans were provided or approved by, the following official:

Dr. Aashir Nasim  Vice President of the Office of Institutional Equity, Effectiveness and Success; professor and director, iCubed

Our audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Karen K. Helderman
Executive Director
Audit and Compliance Services
Degree Conferment Process

Final Report
August 5, 2020

Audit and Compliance Services
Overview

The degree conferment process objective is to award earned diplomas. Student advisors across the university, and degree auditors within the Office of Records and Registration, support the conferment process. Degree Works, a Banner companion software, supports the degree conferment process and warehouses data such as student GPA, courses completed, degree program requirements and course exceptions. Course exceptions, discussed in more detail below, consist of either substitutions, which are courses comparable to those in program bulletins, or waivers, which can be requested when students cite that they have fulfilled a requirement through other means.

Banner feeds into Degree Works to post completed course work, while Degree Works serves as a tool for student advisors and students to communicate with one another about student progress in meeting VCU Bulletin requirements and for student advisors to certify student progress. Degree Works allow processes to continue only after approval protocols are satisfied. Students access Degree Works only for inquiry and inspection of records and are not able to edit their records. The Assistant Registrar assigns faculty and staff access to Degree Works and the Senior Associate Registrar removes access when personnel separate from their role or from the university.

Course Exceptions

Student advisors, or other academic unit representatives, can request course exceptions. Exceptions are typically requested when courses included in program bulletins are no longer offered; program directors, department chairs, deans or student advisors judge that a student can satisfy program requirements through comparable course offerings; or a student has already satisfactorily completed alternative course requirements. Academic units determine the course exception approval process, with some requiring dual signatures of the 1) program director or department chair and 2) dean, whereas others require only one signature. That said, before a Degree Works exception entry can occur, degree auditors rely on a single approval that is communicated through one of the following two methods. The requester can:

- Enter data in an academic unit designated Google Drive spreadsheet that is shared with the Degree Audit office, which enters exceptions into Degree Works
- Occasionally email the data to the Degree Audit office for a degree auditor to enter into Degree Works

The University Registrar allows three select academic units to directly enter exceptions into Degree Works because the units have a significant volume of exceptions and the Degree Audit office does not have sufficient resources to perform this function.

Requirements for Graduation

VCU receives its accreditation from the Southern Association of Colleges and Schools Commission on Colleges (SACS) and its Principles of Accreditation issued December 2017 note:
Institutions are required to provide:
  ○ At least 120 semester credit hours at the baccalaureate level
  ○ At least 30 semester credit hours at the post-baccalaureate, graduate or professional level

Undergraduate students must earn at least 25 percent of their credit hours at the institution awarding the degree. Graduate/professional degree students must earn at least 33 percent of their credit hours through the institution awarding the degree.

Institutions are required to provide appropriate justification for degree programs that include fewer than the required number of semester credit hours.

In addition, VCU also requires that:
  ● Undergraduates:
    ○ Earn a minimum of 45 credits in 300-500 level courses
    ○ Have a minimum cumulative GPA of 2.0
    ○ Complete at least 30 of the last 45 credit hours at VCU
  ● Graduates:
    ○ Maintain a GPA of 3.0
    ○ Fulfill requirements of their particular program curriculum

When students approach completion of their degree program, the University Registrar emails them, alerting them to apply for graduation. After application, student advisors review the student’s course completion progress in Degree Works. These advisors then “freeze” the student’s records, confirming that these records have been reviewed and are eligible to support degree requirements for graduation in accordance with the student’s submitted application. Degree auditors also review Degree Works records to evaluate whether requirements have been met, and resolve issues if not. Deans’ designees set students to final freeze, and Degree Works set their records to 100% when all requirements have been met and all issues have been resolved.

For academic year 2019, applications for graduation totaled 8,500 and awarded degrees totaled 7,923 as distributed among degree types in Chart 1 as follows.
The variance between applications and graduations was due to the cancellation of applications, either because student advisors concluded applicants had not satisfactorily completed course work or students withdrew for other reasons.

**Purpose**

The objectives of the audit were to determine whether:

- VCU awarded only earned diplomas
- Academic units authorized changes in individual students’ required courses
- Information technology (IT) application security controls for Degree Works were adequate
Scope and Audit Procedures

The scope of the degree conferment process audit included an operational audit of policies, procedures and degree conferment practices for academic year 2019. The School of Medicine was not included in testing exceptions or IT safeguards, as that academic unit has its independent Registrar and does not use Degree Works. Additionally, the scope of our testing was limited to electronic graduation applications as paper graduation applications were unavailable for review at the time of testing due to the COVID-19 campus closure.

Audit procedures included conducting interviews with Office of Records and Registration management personnel; performing process walkthroughs; examining degree audit procedural documentation; performing data analytics to evaluate process functioning; and reviewing student records in Degree Works and academic unit Google Sheets for proper approval of course exceptions.

Summary of Major Business Issue and Management’s Action Plan

Require Dual Approval of Course Exceptions

As illustrated in Chart 2 as follows, multiple academic units communicate exceptions through a single approval in the Google Sheet that those units provide to degree auditors.

![Chart 2](source: Select Academic Unit Course Exception Google Sheets (unaudited))
Since academic units prescribe their own approval procedures, some require only one level of approval for course exceptions, while others require dual approvals. In addition, some academic units may enter the data directly into Degree Works while others use the degree auditors to perform the data entry. The flexibility of who and how exceptions are entered into Degree Works has allowed for the varied procedures and increases the risk that a student's curriculum could be inappropriately altered through exceptions based on preferential treatment or some other atypical reason.

To reduce the risk of inappropriate course exceptions, the University Registrar should require dual approvals before entering exceptions into Degree Works, regardless of whether the academic units directly enter their course exceptions or report them to a degree auditor via a Google Sheet. The University Registrar should coordinate with the Provost Office and Health Sciences to provide training on the dual approval requirement to increase their awareness of how this reduces the risk of an inappropriate course exception.

**Management’s Action Plan:** Concur. The Office of Records and Registration will implement a dual approval process and add an additional approval field in the Google Sheets. The office will implement a requirement of dual approval by differing positions of authority for course exceptions to be indicated in the Google Sheets. For departments that access Degree Works directly, the office will determine and implement the optimal method to ensure exceptions are approved by two persons with differing authority levels.

*Responsibility: University Registrar  
Completion date: May, 2021*

**Conclusion**

In our opinion, based on our audit results, only earned diplomas were awarded and IT application security controls for Degree Works were adequate. Academic units authorized changes in individual students’ required courses, except that only one signature of approval was required for authorization. We also identified additional matters requiring management’s attention, which we included in a separate report to management.

Prior to releasing this report in final form, the draft report was reviewed by, and management’s action plans were provided and approved by the following:

- **Bernard Hamm**  
  University Registrar and Director of Records and Registration

- **Sybil Halloran**  
  Senior Associate Vice Provost for Strategic Enrollment Management

- **Tomikia LeGrande**  
  Vice Provost for Strategic Enrollment Management

- **Gail Hackett**  
  Provost and Vice President for Academic Affairs
Our audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Karen H. Heldeman  
Executive Director  
Audit and Compliance Services
Overview

Due to the complexity of the budget process and the desire to provide information to the board and management in a timely manner, this audit will extend over two parts. This report represents part 1, focusing principally on processes within the Office of Budget and Resource Analysis (Office). Part 2’s audit is anticipated to evaluate additional aspects of the budget process both within the Office and universitywide.

For the fiscal year ended 2019, the Office implemented a new modified Responsibility Center Management model of budgeting that focuses on departmental level fiscal objectives. The new budget model ran in parallel during fiscal year (FY) 2018 to illustrate to colleges and schools (schools) how they would be held accountable upon its full implementation. It fully allocated state funding and tuition and fee revenue, also known as education and general (E&G) funds, to each school along with their direct expenses and an allocated share of central expenses. This allocation resulted in some schools with a budget surplus and others with a budget deficit, as depicted by the green and red buildings in figure 1 below. In addition, the new budget model charged 20 percent against each schools’ tuition revenue and aggregated those revenues into the new university priorities fund (UPF). The UPF, combined with other central revenues, supports a process referred to as subvention. Subvention allocates the UPF and central funds back to individual schools in a proportion greater than, less than or equal to the UPF that was collected from the particular schools. This reallocation results in balancing the schools’ budget and enables the university to support initiatives to achieve the university’s strategic priorities.

Figure 1

Diagram of the New Budget Model’s Subvention Process

![Diagram of the New Budget Model’s Subvention Process](image-url)
The most significant source of unallocated central revenues results from overhead recovery rates charged for sponsored research, known as Facilities and Administrative Cost Recovery (FACR). The transfer of 30% of FACR revenues to the education and general fund budget is mandated by the state and pre-dates the new model.

As illustrated in Table 1 below, approximately $10 million of FACR revenue is a part of the revenues contributing to subvention.

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Priorities Fund (UPF)*</td>
<td>$87,279,934</td>
<td>$88,620,154</td>
</tr>
<tr>
<td>Other Central Revenues (currently FACR)*</td>
<td>10,025,532</td>
<td>10,025,531</td>
</tr>
<tr>
<td>Subvention*</td>
<td>$97,305,466</td>
<td>$98,645,685</td>
</tr>
</tbody>
</table>

*Source: Office of Budget and Resource Analysis - unaudited

Budget year 2019 was a hold harmless year, meaning that any dollar shortfall of actual performance against budget would not come from the school’s carryforward balances and any overage of actual performance against budget would not remain with the school. Beginning in fiscal year 2020, the model became fully operational with the understanding that any FY2020 revenue shortfalls/shortages would be addressed on a school by school basis by the Budget and Strategic Planning Committee. The university’s long-term goal is to create a culture whereby schools are able to operate with a focus on financial sustainability with limited subvention support. However, some schools are likely to require longer term subvention because their curricula is more expensive to deliver, they are critical to the university’s mission, and/or they may not be expected to fully cover their costs even with effective fiscal and strategic enrollment management.

The Budget and Strategic Planning Committee (Committee) provides governance and oversight for budget allocation decisions in order to ensure fiscal responsibility and alignment with the university’s strategic priorities and operational needs. The Committee is an advisory group to the President and its members include the Provost; Senior Vice President for Finance and Budget and Chief Financial Officer; Senior Vice President for VCU Health Sciences and Chief Executive Officer for VCU Health System; Vice President for Administration; and a representative from the Office of the President.

**Purpose**

The audit objective was to determine whether the Office’s budget processes were satisfactory for the university.
Scope and Audit Procedures

Our scope focused on whether:

- Adequate controls were established to ensure the VCU budget matches the state appropriation.
- Academic units have reporting tools to project and react to potential budget deficits.
- Local procedures surrounding the annual budget process were adequate.
- A budget policy has been issued to reflect the current expectations of those in governance.

Our audit procedures included conducting interviews with Office personnel; performing process walkthroughs; evaluating department procedures, university revised budget documentation and reports available to schools; and reviewing current and proposed university budget policies.

Conclusion

In our opinion, based on the results of our audit, the Office’s budget processes were satisfactory for the university. Recommendations to strengthen the budget process were included in a separate report furnished to management.

Our audit of the budget process began on August 5, 2019. The first draft of this report was submitted to management on January 10, 2020.

Prior to releasing this report in final form, the draft report was reviewed by, and management’s action plans were provided or approved by, the following officials:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Allen</td>
<td>Director, Budget and Resource Analysis</td>
</tr>
<tr>
<td>Karol Gray</td>
<td>Senior Vice President for Finance and Budget and Chief Financial Officer</td>
</tr>
</tbody>
</table>

Our audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Karen K. Helderman  
Executive Director  
Audit and Compliance Services
School of Dentistry

Final Report
July 31, 2020

Audit and Compliance Services
Overview

The Virginia Commonwealth University (VCU) School of Dentistry (School) is the only dental school in Virginia and it selects approximately 100 students for the freshman class each year.

The School houses nine departments and one research institute; had an operating budget of approximately $61.4 million in fiscal year 2020; and employs approximately 95 faculty, 40 university and academic professionals, 40 classified staff, 100 adjunct faculty, graduate assistants and post-doc student workers, and 30 various wage employees. In addition to the prior mentioned employees, the school has approximately 540 affiliates. Examples of affiliates include non VCU employees; vendors that require VCU identification to access facilities; and retired or emeriti faculty that require access to research journal databases.

In addition to the academic side of the School, there are faculty-supervised dental practices, which operate under a management agreement, last reviewed in December 2019, and is known as Dentistry@VCU dba VCU Dental Care. Dentistry@VCU is a non-profit corporation that exists to support the education, research, service, and patient care mission of the School and it offers three levels of general dentistry service: student practice, faculty private practice, and a resident and specialty practice.

While Dentistry@VCU has its own employees, there are some that are dually employed by the School and Dentistry@VCU. Examples include the human resources director, and the president of VCU Dental Care, who also serves as the executive associate dean for the School.

The School also has a service agreement with Dentistry@VCU whereby in exchange for a fee, Dentistry@VCU agrees to manage all clinical operations in collaboration with the School and hire employees to provide services to both the School and Dentistry@VCU. The School and Dentistry@VCU share an electronic health record and patient billing system, axiUm.

In fiscal year 2019, the dental practices produced approximately $16.3 million in revenue of which approximately $12.7 million goes to support the academic mission and operations of the School.

Purpose

The objective of the audit was to determine whether the School of Dentistry operations were adequate and managed effectively.

Scope and Audit Procedures

The scope of the School of Dentistry audit encompassed fiscal year 2019 and the first eleven months of fiscal year 2020 and the following specific areas:

- The management agreement accurately reflected the relationship between the School of Dentistry and Dentistry@VCU.
- Conflicts of interest were properly managed.
Our audit procedures consisted of the following.

- Interviews with School and Dentistry@VCU management and staff to gain an understanding of the relationship between the two entities.
- Review of the management and service agreements between the School and Dentistry@VCU; Agency Risk Management and Internal Control Standards (ARMICS) documentation; Commission on Dental Accreditation standards; Articles of Incorporation for Dentistry@VCU; VCU’s Conflict of Interest statements and Virginia’s Statements of Economic Interest.
- Reviewed HIPAA training materials for adequacy and sign in sheets for proof of completion by students and employees.
- Reviewed the number of employees hired by Dentistry@VCU from the School over the past two years to identify excess movement.
- Analysis of School types of expenditures; financial transactions between the School and Dentistry@VCU; the number of affiliates in the School and access to Active Directory and axiUm; School users on active directory with no activity after 2016.
- Testing of expense transactions for supporting documentation and dentistry students for appropriate access in the patient records system, axiUm.

Conclusion

In our opinion, based on the results of our audit, the School of Dentistry operations were adequate and managed effectively.

A recommendation to strengthen the School of Dentistry’s processes was included in a separate report furnished to management.

Prior to releasing this report in final form, the draft report was reviewed by, and management’s action plans were provided or approved by, the following officials:
Annual Review of Audit Recommendations Outstanding

Final Report
August 24, 2020

Audit and Compliance Services
Audit and Management Services performs an annual review of audit recommendations that remain outstanding. During our review, management reports the status of previously issued recommendations. If management reports that corrective actions have been completed, we test the new procedures to determine whether those corrective actions were properly implemented and effective.

Appendix A provides a schedule of all Board and management level audit recommendations that are past due, meaning they are unresolved, their target completion dates have been revised two or more times. Given their significance, only the status of each past due Board level audit recommendation and those management level recommendations where insufficient progress has occurred are discussed in more detail below.

**Past Due Board Level Recommendation**

**School of Dentistry** report – This report included a recommendation to “Improve Physical Access Management.” School of Dentistry has made progress on this issue and established a policy to govern physical access but is still developing a process to conduct quarterly physical access reviews. Management anticipates completing the corrective actions and conducting the physical access reviews by December 2020.

**Past Due Management Level Recommendations**

**College of Humanities and Sciences** report – This report included recommendations to “Improve Record Management Process” and “Perform Banner Reconciliations and Close Inactive Indexes.” Some progress has been made on both issues; however, due to other priorities and lack of resources, these areas have not been fully addressed to allow audit to clear either issue. Management anticipates corrective actions to be complete by January 2021.

**School of the Arts in Qatar (VCUQ)** report – This report included the following two recommendations that are past due.

- Perform monthly Banner reconciliations timely and ensure departments review for propriety of transactions: Audit has performed a follow-up in this area four times with progressive stages covering periods from August 2018 through May 2020 and has not been able to identify sufficient compliance in accordance with the Controller’s Office minimum requirements. To address, management will be providing training and performing self-reviews to ensure compliance. Corrective actions are expected to be complete by February 2021.

- Perform quarterly vulnerability assessments and scans of all servers in coordination with the VCU Information Security Office and subsequently remediate all critical and high-level vulnerabilities prior to the next quarterly vulnerability scan. Additionally, perform risk assessments on all existing systems that store, process and transmit data: IT Audit has performed follow-up on this recommendation three times from November 2018 through March 2020. VCUQ TS requested a revised due date of December 2020.


We reviewed the information in this report with the applicable department manager and vice president prior to releasing the final report.
Our review was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included an evaluation of internal controls and such procedures as we considered necessary in the circumstances.

Karen K. Helderan
Executive Director
Audit and Compliance Services
### Audit and Management Services

#### VCU Past Due Audit Recommendations

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Audit</th>
<th>Board Level Recommendation</th>
<th>Target Date</th>
<th>Original</th>
<th>Revised</th>
<th>Revised Again</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2018</td>
<td>School of Dentistry</td>
<td>Improve Physical Access Management</td>
<td></td>
<td>July 2019</td>
<td>Dec 2019</td>
<td>Dec 2020</td>
</tr>
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<th>Report Date</th>
<th>Audit</th>
<th>Management Level Recommendations</th>
<th>Target Date</th>
<th>Original</th>
<th>Revised</th>
<th>Revised Again</th>
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<tr>
<td>Feb 2018</td>
<td>College of Humanities and Sciences</td>
<td>Improve Record Management Process</td>
<td>Dec 2018</td>
<td>Dec 2018</td>
<td>Sep 2019</td>
<td>Jan 2021</td>
</tr>
<tr>
<td>Feb 2018</td>
<td>College of Humanities and Sciences</td>
<td>Perform Banner Reconciliations and Close Inactive Indexes</td>
<td>Dec 2018</td>
<td>Dec 2018</td>
<td>Dec 2019</td>
<td>Jan 2021</td>
</tr>
<tr>
<td>Mar 2018</td>
<td>School of the Arts in Qatar</td>
<td>Perform Monthly Banner Reconciliations Timely and Ensure Departments Review For Propriety</td>
<td>Mar 2018</td>
<td>Mar 2018</td>
<td>Dec 2019</td>
<td>May 2020</td>
</tr>
</tbody>
</table>
Design & Effectiveness Review
Findings Report

Prepared for Virginia Commonwealth University | March 11, 2019

Final Report | This Draft Report Is Confidential
Executive Summary

- Preamble
- Executive Summary & Scorecard
- Assessment Methodology
- Assessment Findings
  - Section 1: Program Resources and Structure
  - Section 2: Measuring Perceptions of Ethical Culture
  - Section 3: Written Standards
  - Section 4: Training and Communications
  - Section 5: Monitoring and Auditing
  - Section 6: Enforcement, Discipline, and Incentives
- Appendix A: Management Interview List
Virginia Commonwealth University ("VCU" or "the University") retained Ethisphere, LLC ("Ethisphere") to evaluate and benchmark the University's ethics and compliance program, excluding the program in place at VCU's hospital, utilizing Ethisphere's review system and associated methodology.

The following report ("Report") was prepared by Ethisphere at the request of VCU. The information in this Report is owned by VCU except that: (a) Ethisphere retains exclusive proprietary ownership rights to the review systems and related methodologies ("Proprietary Rights"), and VCU agrees that it will not take action to interfere with such Proprietary Rights; and (b) Ethisphere retains the right to use the numerical information and supporting data from which the Report was derived for future benchmarking and other analyses done for other Ethisphere clients, so far as Ethisphere ONLY uses this supporting data in a form whereby such information and data is aggregated with similar information of other Ethisphere clients and cannot be identified as data and information derived from work with VCU.
Executive Summary
Our findings are summarized in this Report, which comprises a review and evaluation of VCU’s existing ethics and compliance program and practices (not including the practices in place at the University’s hospital). VCU has worked to build out an overarching program that coordinates the activities of a number of University resources and provides an avenue through which to educate VCU employees, faculty, and students about the organization’s policies, procedures, and expectations around integrity as well as the channels available to raise concerns.

As evidenced during the evaluation process, VCU is very engaged in implementing a best practices ethics and compliance program and framework. There is significant support at the University for the ethics and compliance program across the leadership team and at the board of visitors level. That said, the Chief Ethics and Compliance Officer lacks a documented reporting line to either of the committees at the Board of Visitors ("BoV") responsible for overseeing the program; this is a departure from similarly-situated organizations that have emphasized a clear reporting line in response to changes to Chapter 8 of the Organizational Sentencing Guidelines in 2010, which strongly recommended a documented reporting line for the individual charged with running (not overseeing) the ethics and compliance program.

We have laid out our key areas of recommendation in this executive summary, with significant further detail to be found in the remainder of the body of the report, including supporting data. In making these recommendations, we have taken into consideration VCU’s structure and the nature of its stakeholder base and risk profile. We have also considered the personnel change happening at the University with the retirement of Mr. Cole, the Executive Director for Audit and Compliance Services. We believe that each key recommendation is eminently practical and will significantly improve the ease of use of VCU’s resources and program for all employees and further enhance the perception of the Integrity and Compliance Office (“ICO”) as an important strategic function.
From October 2018 through January 2019, Ethisphere conducted its review process on behalf of VCU.

Ethisphere’s assessment processes looked at the following aspects of VCU’s programs and practices:

- Ethics and Compliance Program Resources and Structure
- Employee Perceptions of VCU’s Ethical Culture
- Written Standards
- Training & Communications
- Risk Assessment, Monitoring & Auditing
- Enforcement, Discipline & Response
- Employee Knowledge of Ethics and Compliance Concepts
- Senior Leader Perceptions of the Compliance Environment

We based our findings on VCU’s answers to Ethisphere’s 2018 Ethics Quotient® (EQ) survey, submitted documentation covering 45 different elements of VCU’s corporate activity, and interviews with 10 senior and operational leaders across the organization.
Design & Effectiveness Review

Summary Scorecard Methodology

VCU's 2018 Assessment Summary Scorecard (page 8) provides a summary maturity classification for each element assessed. Below are the five maturity tiers used to describe each element of the University's program, its color classification for visual reference, and a description of how to interpret each one. Refer both to Category Outcome Driving Factors and the full length Assessment Findings Report for additional information, data, and context for each Category Outcome selection.

<table>
<thead>
<tr>
<th>Category Outcome Label and Color Indicator</th>
<th>Category Outcome Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very Strong</strong></td>
<td>Designates a best-in-class program or practice. A “very strong” label indicates a leading or mature practice that, in many respects, serves as an example of what other organizations should aspire to implement regardless of industry or structure.</td>
</tr>
<tr>
<td><strong>Solid; Trending Very Strong</strong></td>
<td>Components of a program that are trending very strong exceed expectations in many facets, yet provide further opportunities for enhancement in others.</td>
</tr>
<tr>
<td><strong>Solid</strong></td>
<td>A classification of “solid” denotes expectations are being met for a given section; this section may be approaching best practice in a few areas, yet several opportunities exist to improve or otherwise enhance this area of the program.</td>
</tr>
<tr>
<td><strong>Needs Attention; Trending Solid</strong></td>
<td>When trending solid, a component of the program has capabilities that may be compliant or functional but lack in efficiency or efficacy, or are otherwise undeveloped.</td>
</tr>
<tr>
<td><strong>Needs Attention</strong></td>
<td>This portion of the program is nascent or does not exist, requiring significant and immediate updating to achieve compliance with regulation or functional practice. Any category receiving a designation of “needs attention” should be elevated to the top of the Company's priority list.</td>
</tr>
</tbody>
</table>
Design & Effectiveness Review

Summary Scorecard

<table>
<thead>
<tr>
<th>Assessment Area</th>
<th>Summary Outcome</th>
<th>Assessment Area Driving Factors</th>
</tr>
</thead>
</table>
| Program Structure & Resources           | Solid, Trending Very Strong            | + Solid access to leadership and BoV during tenure of recently-retired Executive Director  
- Excellent use of Compliance Advisory Committee  
- Staffing levels lagging below peers  
- Open leadership role and lack of documented reporting line to BoV |
| Measuring and Communicating Around Ethical Culture | Solid                                  | + Coverage of ethical culture topics  
- Participation rates and mechanisms used to measure perceptions |
| Written Standards                        | Very Strong                            | + Excellent Code  
+ Strong policy governance practices |
| Training & Communications                | Needs Attention, but Trending to Solid | - Opportunity to further empower managers as ethical role models  
- Opportunity for improved communication planning |
| Risk Assessment, Monitoring & Auditing   | Solid, Trending Very Strong            | + Coordination with internal audit group  
+ Excellent tracking of harassment and discrimination metrics  
- Opportunity for use of additional metrics |
| Enforcement, Discipline & Incentives    | Solid                                  | - Opportunity for coordination among investigative bodies  
- Help managers understand how critical it is to alert ICO or HR to employee concerns; consider a simplified intake form for managers |
| Overall                                 | Solid, Trending Very Strong            | + Hyper-efficient use of available resources  
+ Built a solid framework for future execution  
- Opportunity to improve staffing levels |

*Solid equals meeting best practice expectations.

\[= Needs Attention  
\[= Needs Attention, but Trending to Solid  
\[= Solid  
\[= Very Strong \]
Executive Summary

Key Recommendations

Key Recommendation 1

Develop Regular Training Program for All Managers

For over a decade, survey after survey conducted by Ethisphere and others has shown that employees look to their direct supervisor for guidance on "how to get ahead" at the organization. While tone at the top is important, it is really the direct supervisor who sets the example in integrity, compliance, and much more. At the same time, not everyone who is promoted to a supervisory position comes into the role with the necessary tools and understanding about how to be an ethical leader.

Recognizing this, VCU has put in place training modules that are specifically targeted at managers; the content in those modules is strong but not as comprehensively administered as we increasingly see at other organizations. For that reason, we strongly encourage the University to establish an overarching and coordinated manager professional development learning curriculum for all levels of managers, which would include new manager training as a part of onboarding for incoming managers and periodic refresher training for tenured managers. In particular, make sure that all managers are provided periodic manager-specific training on their responsibilities in supporting the University’s ethics and compliance program, such as creating an effective open-door environment, preventing retaliation in the workplace, using the proxy reporting functionality in the University’s case management system and how to handle an investigation in their area of the organization.

Key Recommendation 2

Streamline Communication Planning

VCU’s current training plan is a single-year plan with limited function-specific or risk-specific targeting. In addition, the University does not maintain a communication plan related to ethics initiatives. A robust training and communications plan—often developed in coordination with other control functions through a steering committee such as VCU’s Compliance Advisory Committee—allows the University the opportunity to pair training material with follow-up communications in a coordinated fashion that reinforces key messaging. The more targeted each piece can be, the more engaged the learner will be on average. The review team strongly recommends the University move to such a planning process.

Many of VCU’s peers are triangulating different sources of control data to look for potential hot spots (e.g., layering hotline matters, conflict of interest disclosures, turnover by manager/school or college, and phishing test results through coordination between Internal Audit, ICO, HR, and IS). Combining the places where each individual control function is seeing small problems can result in significant insights, as it is rare for only one control function to experience issues with a particular part of the business. Those insights can significantly inform training plans and make training more efficient and effective company-wide. Some of this information could be obtained through systemic conversations at the Compliance Advisory Committee; making sure the information is tracked will be critical to gathering these insights.
Executive Summary

Key Recommendations

Key Recommendation 3

Consider ICO Staffing and Ethics Ambassador Program and Review Reporting Line for CECO

While the Integrity and Compliance Office has built good working relationships with other control functions and makes excellent use of its Compliance Advisory Committee, it remains hamstrung in its capabilities by its staff size, which is extremely lean for an organization of VCU’s size. Consider seriously adding to the ICO’s staffing either through the addition of full-time head count or through the use of graduate-level interns. Also consider whether implementation of a formal “ethics ambassador” program is appropriate to elevate the current coordination happening through the Compliance Advisory Committee to a level where it will be easier both to track activity and to reward those who are actively supporting the University’s commitment to integrity.

Finally, we recommend reviewing the current reporting line for the CECO, as the University differs from similarly-situated organizations in its ad hoc reporting for the CECO herself to the relevant BoV committee(s) (reporting for the Executive Director is to the BoV, but the current trend is for the individual responsible for the program to have direct documented access to the appropriate board committee).

Key Recommendation 4

Continue Consolidation of Case Management Systems

The University maintains several mechanisms through which to raise a concern, as well as multiple case management systems. While efforts are underway to consolidate onto a single system of record, for the time being, multiple systems are still in use.

We are seeing a growing trend of organizations looking for one system of record so that the governing authority—in this case, the Board of Visitors—would have one overarching view into the issues and concerns being raised by the organization’s various stakeholders. Maintenance of multiple systems increases the risk of inconsistent discipline, makes meaningful root cause analysis more difficult, exacerbates differences in investigation processes, and creates the possibility of issues not receiving the appropriate level of follow up. We recommend VCU continue its excellent work to rapidly move toward the use of a single system, and further recommend that compliance area leads emphasize their support of such work, in conjunction with the appropriate members of senior leadership.
2018 Assessment Methodology
Program Assessment Process

Ethisphere developed our program assessment methodology in an effort to shine a light on extraordinary programs and practices, as well as to recommend actionable steps for the organization to take to move the program forward.

**Assessment Areas**

- **The Program Resources and Structure area** looks at the extent to which the program is autonomous, is sufficiently resourced, and has appropriate authority.
- **Efforts establishing an ethical tone at the top and middle, frequency that culture is evaluated, and methods and outcomes associated with Measuring Perceptions of Ethical Culture.**
- **This area evaluates the organization’s code of conduct, key standalone policies, and other relevant Written Standards.**
- **An examination of information regarding the company’s current compliance Training and Communications program to determine the quality and effectiveness.**
- **Risk Assessment, Monitoring, and Auditing practices, or how the company identifies its key risks and accordingly determines how to allocate resources.**
- **The area of Enforcement, Discipline, and Incentives looks at whether the organization enforces and encourages compliance through disciplinary measures and incentives.**

**Inputs**

- **Current state of program and practices using Ethisphere’s 2018 Ethics Quotient® (EQ) survey** (VCU Response)
- **Examination of supporting documents** relating to each component of the review and supporting answers provided to the EQ survey.
- **10 Interviews** of key stakeholders at the management and operational levels (see Appendix A for a list of individuals interviewed).
This Report contains data points from Ethisphere’s 2018 World’s Most Ethical Companies (“WMEC”) data set. This data set provides insights into the programs and practices of leading companies from around the world. The illustration below describes the 135 companies that comprise the data set referenced throughout the Report.

From this data set, Ethisphere identified two segments to benchmark against VCU. First, 18 companies that identify as non-profit or not-for-profit (“Sector Peers”). Second, 16 companies with employee population totals between 10,000 and 24,999 and annual revenue between $1 billion and $10 billion, excluding healthcare and financial services organizations (“Headcount Peers”). These two benchmark data sets are presented alongside the overall data set to provide a comparative view into the practices of companies similar to VCU.

For the full list of WMEC companies visit: http://worldsmostethicalcompanies.ethisphere.com/honorees
Perceptions of Ethical Culture Section Description

In reviewing VCU’s overall program structure and resource levels, Ethisphere first evaluates program structure and the manner in which overall responsibility for compliance oversight is assigned to high-level personnel. Guidance issued over the last decade from a variety of regulators (US DOJ, SEC, HHS-OIG, USSC, UK SFO, OECD, etc.), and we agree, that the organizational chart of a given organization sends a message about organizational priorities. Do those running the ethics and compliance program have a “seat at the table”? Additional examination is conducted to assess how resources and authority have been allocated to those individuals. In other words, is the program appropriately staffed for the size and complexity of the business?

Second, we review if members of VCU’s governing authority are actively engaged in the ethics and compliance program, whether they are knowledgeable about its content and operations, and whether they exercise reasonable oversight of that program.

Key Program Resources & Structure Summary Recommendations

- Include the CECO in Cabinet level and senior staff meetings to provide program updates and coordinate with senior-most leaders
- Document the access of the CECO to the appropriate committee of the Board of Visitors and the frequency with which the CECO should provide updates to that committee
- Evaluate ethics and compliance staffing levels, given disparity between VCU and relevant peer groups
- Continue to ensure effective use of the Compliance Advisory Committee to address the possibility of silos of expertise as highlighted in the ERM section of the Integrity and Compliance Annual Report
Finding: VCU’s Integrity and Compliance Office supports the compliance activities of the organization as a whole, existing as a bridge between the different schools and colleges as well as the employee base of the University. It provides guidance and training on VCU’s policies and procedures and oversees a variety of investigations and risk assessment activities. Oversight of the ICO is the responsibility of the Board of Visitors, which has assigned responsibility for the program to the Audit, Integrity, and Compliance Committee. That Committee received regular briefings on the activities of the program from the recently-retired Executive Director for Audit and Compliance Services.

Under the Executive Director, the ICO had good access to University leadership, although Ms. Kniska, the University’s Chief Ethics and Compliance Officer, was not directly and regularly included in meetings with the President’s cabinet and was not regularly responsible for presenting data on the program to the Committee. In addition, the CECO does not have a documented reporting line to the appropriate committee of the Board of Visitors.

Recommendation: As the ICO transitions to a new leader with the Executive Director’s retirement, the review team strongly recommends the University re-examine the CECO’s access to the President’s cabinet. The seniority and independence of the function, both in form and in practice, is critical to the program’s overall success. While the Executive Director was a member of the President’s cabinet and reported regularly on the activities of the program, organizational charts and access to senior meetings send messages to the rest of the organization as to the University’s priorities. We recommend the University consider whether it is appropriate for the CECO to more regularly provide those updates herself. We also recommend the University consider the data on the following slides, which shows that a majority of peers provide the compliance function with significant input into strategic decisions and hiring decisions, and consider whether changes are warranted (see slide 22 in particular).

In addition, VCU should seriously consider ways in which the CECO and, where appropriate, her team can have exposure to the Committee. In the 2010 Organizational Sentencing Guidelines revisions, one of the changes was to recommend those with day-to-day responsibility for the program be involved in board reporting (not merely in the room). This change was specifically put in place to make sure those individuals had a good working relationship with the members of the governing authority responsible for oversight and would feel comfortable going to them with questions or concerns.
EQ 4A.1 Specify all job titles held by the person assigned overall ownership of the compliance and ethics program. (Multiple select)
**Program Resources and Structure**

**Review Current Structure of the Program**

EQ 4A.3 What percentage of his or her time does the person assigned overall responsibility for the compliance and ethics program dedicate to that role?

<table>
<thead>
<tr>
<th>Time Range</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
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<tr>
<td>0 - 50 percent</td>
<td>17%</td>
<td>0%</td>
<td>17%</td>
</tr>
<tr>
<td>51 - 75 percent</td>
<td>17%</td>
<td>14%</td>
<td>14%</td>
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<tr>
<td>76 - 90 percent</td>
<td>19%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>91 - 100 percent</td>
<td>44%</td>
<td>61%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Program Resources and Structure

Managerial Oversight of Compliance and Ethics Program

EQ 4A.4 Given the person assigned overall responsibility for the compliance and ethics program is also the General Counsel and/or dedicates less than 90 percent of their time to the compliance and ethics role, is there a person in addition to the person with overall authority who is assigned day-to-day operational responsibility for the compliance and ethics program?
EQ 4A.5 When the person with overall responsibility for the compliance and ethics program communicates with the Board regarding the compliance and ethics program, is the person who is assigned day-to-day operational responsibility for the compliance and ethics program generally present?

 Highlight denotes VCU survey response(s)
EQ 4A.7 Is there a documented policy or process requiring that the Board, a committee of the Board, or other governing authority be notified or approve before the person who has been assigned overall responsibility for the compliance and ethics program is terminated?
**Program Resources and Structure**

**Audit Committee Feedback Regarding Performance and Compensation**

EQ 4A.9 Who makes compensation decisions for the person assigned overall responsibility for the compliance and ethics program?

<table>
<thead>
<tr>
<th>The Board or the Board committee that has oversight of compliance and ethics</th>
<th>The direct manager</th>
<th>The direct manager with input from the entire Board</th>
<th>The direct manager with input from the Board committee that has oversight of compliance and ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>39%</td>
<td>16%</td>
<td>50%</td>
</tr>
</tbody>
</table>
EQ 4A.10 Identify which of the following authorities, if any, are granted to the compliance and ethics function? (Multiple select)
Program Resources and Structure

Consider the Case for Additional Headcount and Implementing an Ambassador Program

**Finding:** VCU is behind the median for both its sector and headcount peers, having reported four full-time employee ("FTE") equivalents dedicated to compliance and ethics functions/activities in the ICO. Median staffing numbers are reflected on the following pages. The University does not maintain an "ethics ambassador" network across the organization, although there is a robust Compliance Advisory Committee that allows significant coordination across functions, and with compliance area leads who are responsible for specific risk areas.

**Recommendation:** The University is making good use of related control functions like HR/Equity and Access Services (note, for purposes of this report, all references to HR include EAS unless otherwise noted) and Internal Audit across the organization, but as noted, does not maintain an ambassador program. Those liaisons and support are not FTE substitutes. The FTE numbers provided for peers do, in most cases, include investigators, which at VCU fall within both the ICO team and the HR team. That said, even excluding the investigators from peer sizing analysis, the VCU team is lean for the organization’s size and revenue, as well as compared to sector peers. Ethisphere recommends considering whether there is a business case to be made for one or even two additional FTEs in the ICO, or perhaps implementing a grad-level intern program to get additional assistance. One trend we are seeing many companies examine now is adding someone with communications-specific expertise, to focus specifically on ethics-related communications.

In addition, consider whether to implement an ambassador-type program for the ethics office specifically. A majority of peers have leveraged individuals in the business to serve as on-premises representatives of the ethics program. These are generally individuals who work in other functions across the organization but are well-respected leaders to whom others look for advice.
**Consider Increase in Resources to Match Peers**

Table EQ 4A.19 – What is the approximate number of full-time employee (“FTE”) equivalents dedicated to compliance and ethics function/activities throughout your organization?

<table>
<thead>
<tr>
<th></th>
<th>Sector Peers</th>
<th>Headcount Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average FTEs</td>
<td>41</td>
<td>16</td>
<td>100.2</td>
</tr>
<tr>
<td>Median FTEs</td>
<td>21</td>
<td>12</td>
<td>22.5</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>19</td>
<td>20</td>
<td>381.6</td>
</tr>
</tbody>
</table>
Program Resources and Structure

Robust Compliance Advisory Committee with Good Representation

Finding: The use of ethics and compliance steering committees to track issues, identify trends, and disseminate messages is becoming common among VCU’s peer groups, and VCU’s Compliance Advisory Committee is an excellent representation of this trend. Effective steering committees that are engaged and meet regularly are tremendous drivers of ethics and compliance programs, acting as a complementary resource to those responsible for ethics and compliance programs, as well as to supporting departments such as Human Resources, Legal, and Internal Audit. Such committees are usually made up of senior—but functional—representatives of the relevant control functions such as ethics, compliance, Human Resources, Internal Audit, IS, Risk, and other relevant functions as needed to address the organization’s specific circumstances. VCU’s committee includes representatives of every expected function.

Recommendation: Our only concern with VCU’s current committee is its large size, which requires a disciplined attention to the agenda to navigate. Our interviews provided a general picture of a well-run meeting, but we caution the ICO team to remain diligent in this respect to maximize the value such a committee can bring, and to consider whether smaller groupings for specific topics might further its work. Meetings of this sort provide a significant opportunity for informal overlap of control function data. There are a variety of things ordinarily discussed at peer organization steering committee meetings, many of which VCU currently includes. Leading practices we have seen include:

- Detailed discussions around training priorities and plans
- Using the committee to identify underutilized communication channels
- Reviewing risk assessment findings
- Additional opportunities to increase coordination
- Ways to standardize investigations and reporting metrics

Ensure that the goals and priorities of the committee meetings are examined on a periodic basis to verify that the forum is providing the necessary support to drive ethics and compliance initiatives, such as promoting ethics and compliance initiatives. These may include the rollout of new manager materials, spotting ethics and compliance issues and trends, and sharing the responsibilities for ethics and compliance across the organization.
Program Resources and Structure

Robust Internal C&E Committee with Good Cross-Functional Representation

EQ 4A.15 Does your organization have an internal committee dedicated to compliance and ethics?

Highlight denotes VCU survey response(s)
**Program Resources and Structure**

**Robust Internal C&E Committee with Good Cross-Functional Representation**

EQ 4A.18 Indicate which topics are regularly discussed during the internal compliance and ethics committee meetings. (Multiple select)

<table>
<thead>
<tr>
<th>Topics</th>
<th>All Honorees Data</th>
<th>Headcount Peer Data</th>
<th>Sector Peer Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall program performance and key program initiatives</td>
<td>96%</td>
<td>92%</td>
<td>100%</td>
</tr>
<tr>
<td>Hotline and reporting statistics</td>
<td>95%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Misconduct investigations and resolutions</td>
<td>92%</td>
<td>89%</td>
<td>89%</td>
</tr>
<tr>
<td>Compliance training and communication initiatives</td>
<td>96%</td>
<td>94%</td>
<td>100%</td>
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<tr>
<td>Compliance program assessment</td>
<td>92%</td>
<td>86%</td>
<td>100%</td>
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<tr>
<td>Program benchmarking</td>
<td>92%</td>
<td>89%</td>
<td>100%</td>
</tr>
<tr>
<td>Compliance and ethics risk management</td>
<td>96%</td>
<td>97%</td>
<td>100%</td>
</tr>
<tr>
<td>Culture of ethics</td>
<td>94%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Significant regulatory updates</td>
<td>97%</td>
<td>94%</td>
<td>100%</td>
</tr>
<tr>
<td>Information security</td>
<td>85%</td>
<td>81%</td>
<td>100%</td>
</tr>
<tr>
<td>Privacy risk management</td>
<td>83%</td>
<td>78%</td>
<td>94%</td>
</tr>
<tr>
<td>Industry trends</td>
<td>95%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Other topics</td>
<td>42%</td>
<td>47%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Perceptions of Ethical Culture Section Description

In order to have an effective ethics and compliance program, an organization must understand the culture of its workforce and continually measure the organization’s overall ethical health and compliance environment.

Ethisphere views and evaluates the ethical climate at a particular organization by systematically measuring employees’ perceptions across several key areas. Are employees aware of where to find compliance resources? Are those in leadership and management positions viewed as trustworthy? Do employees experience any degree of pressure to compromise VCU’s standards of conduct to meet business objectives? Is it believed that the rules (and corresponding penalties for breaking them) are fair?

Section Considerations:

- 2018 Ethics Quotient survey responses
- VCU’s 2017 Ethical Culture Survey Data

Summary Recommendations

- Enhance the presence of leadership in training courses
- Expand demographics and enhance participation in future culture survey initiatives
Perceptions of Ethical Culture

**Feature Leadership Prominently in Training Courses**

**Finding:** In the training examples and outlines provided, the review team could not locate an instance where an executive other than the University President introduced a training topic.

Additionally, based on the 2017 VCU culture survey data provided to the review team, it appears there is a slightly less favorable perception among University employees that those in leadership positions demonstrate integrity and ethical behavior.

**Recommendation:** Recent analysis of Ethisphere’s global Culture Quotient© revealed employees’ positive perception of the quality and effectiveness of the ethics and compliance function’s efforts in communicating, training, and support correlates strongly with positive perceptions of the conduct, values, and communications of senior leadership (correlation coefficient of 0.85).

The review team suggests that VCU utilize messages from a variety of senior leaders—or heads of schools—in its cornerstone training courses. The correlation mentioned above suggests doing so would further evince the authenticity of the tone at top. Diversifying the voices delivering messaging about the importance of ethical conduct could also expand its reach to all corners of the University; in particular, try to link specific topics to particular leaders for whom those risks present particular challenges.
Perceptions of Ethical Culture

Consider Expanding Demographics in Upcoming Surveys

**Finding:** VCU has conducted a University-wide culture survey every other year. Conducting an ethical culture survey on a periodic basis is a best practice shared by a majority of peers.

A well-structured ethical culture survey can be a tremendously valuable tool in identifying those areas of the business where employees have concerns about speaking up, or areas where managers are doing a particularly good job in supporting the integrity message. That said, robust demographic information and a significant response pool are both key to making sure that such an analysis is possible. In addition, a broad set of questions is recommended to provide the compliance function with adequate insights to improve the program.

**Recommendation:** As shown in the following slides, VCU’s culture survey response rate is lagging behind its peers.

We suggest considering additional ways to bolster participation. For instance, explore what kind of communication opportunities might exist to explain to employees how much the University wants their input. If there is feedback the University received in the last survey that led to a change in process, providing that information to employees as a practical “this is why your insights matter” example should help to increase the response rate.

Another way to bolster response rates is to monitor survey participation in real-time across all units during the runtime period. That way, targeted communications can be deployed mid-survey to encourage participation in needed areas.

In addition, look closely at the demographic information that was gathered as part of the last survey exercise. On average, companies that do our ethical culture and perceptions assessment collect six different demographic identifiers, which allows for extensive analysis once the survey is closed.
EQ 4G.2 What percentage of your total global workforce was offered the opportunity to participate in your organization’s most recent Dedicated Culture Survey?
EQ 4G.4 Of the employees who were provided the opportunity to respond to your survey, what percentage actually responded?

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 30 percent</td>
<td>29%</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>30-39 percent</td>
<td>0%</td>
<td>0%</td>
<td>8%</td>
</tr>
<tr>
<td>40-49 percent</td>
<td>0%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>50-59 percent</td>
<td>29%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>60-69 percent</td>
<td>0%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>70-79 percent</td>
<td>21%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>80-89 percent</td>
<td>29%</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>90-100 percent</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
## Ethical Culture & Tone

### Organizational Health and Culture Assessment

EQ 4G.10 Which topics are included in the Dedicated Culture Survey? (Multiple select)

<table>
<thead>
<tr>
<th>Survey Topic</th>
<th>WME Honorees</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness of compliance resources</td>
<td>94%</td>
<td>100%</td>
<td>86%</td>
</tr>
<tr>
<td>Ethical leadership or tone from the top</td>
<td>89%</td>
<td>86%</td>
<td>100%</td>
</tr>
<tr>
<td>Manager’s ethical leadership</td>
<td>89%</td>
<td>86%</td>
<td>100%</td>
</tr>
<tr>
<td>Whether the employee has observed misconduct</td>
<td>86%</td>
<td>71%</td>
<td>86%</td>
</tr>
<tr>
<td>Whether the employee is comfortable reporting misconduct</td>
<td>85%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Perception of the compliance and ethics function</td>
<td>82%</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Organizational justice</td>
<td>81%</td>
<td>86%</td>
<td>93%</td>
</tr>
<tr>
<td>Peer environment and culture</td>
<td>80%</td>
<td>57%</td>
<td>86%</td>
</tr>
<tr>
<td>Effectiveness of the Code</td>
<td>69%</td>
<td>71%</td>
<td>57%</td>
</tr>
<tr>
<td>Effectiveness of policies</td>
<td>68%</td>
<td>71%</td>
<td>50%</td>
</tr>
<tr>
<td>Effectiveness of compliance training</td>
<td>66%</td>
<td>86%</td>
<td>64%</td>
</tr>
<tr>
<td>Whether the employee feels pressure to commit misconduct</td>
<td>61%</td>
<td>57%</td>
<td>79%</td>
</tr>
<tr>
<td>Whether the employee would recommend to take a job at the organization</td>
<td>28%</td>
<td>0%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Written Standards Section Description

Ethisphere evaluates the organization’s written code of conduct, key standalone policies, and other relevant standards. Well-written, comprehensive, and well-communicated policies, procedures, and controls play a critical role in preventing and detecting misconduct, reducing the likelihood of violations, and ensuring a satisfactory state of compliance for an organization.

Written standards must be literally available, meaning that an employee can find the documents, as well as linguistically available, meaning the employee could understand the behavior expected of them after reading the policy.

Written Standards Summary Recommendations

- Make Code more easily accessible on VCU’s website
- Consider addressing additional risk areas
- Revise Code to lower grade level and simplify language
- Lower grade level of policies
- Create a true Supplier Code of Conduct

Section Considerations:

- VCU’s Code of Business Conduct
- VCU’s Supplier Code of Business Conduct
- 2018 Ethics Quotient survey responses
- Key VCU Policies
Written Standards

Consider More Prominent Location for the University’s Code

**Finding:** VCU’s *Code of Conduct* (“Code”) was most recently updated in 2018. It is a bit difficult to locate on the University’s website; the review team had to click through several different sections to find the document. The Code is presented as an interactive eBook (which can be downloaded as a static PDF), and an ADA-accessible PDF of the text is also provided.

The Code addresses many of the expected risk areas and generally provides sufficient practical guidance, as well as ample links to outside resources, including policies, infographics, web sites, and even videos. In particular, the review team was impressed by the video addressing diversity and inclusion. In light of the increasing emphasis on this issue in the ethics and compliance space, VCU is to be commended for this messaging.

However, the Code does not address several risk areas we would usually expect to see. For example, we could not locate discussions of gathering information appropriately (e.g., other researchers) or protecting third parties’ information (e.g., partners or other entities who provide the University with information in order to do work collectively). In addition, the discussion of anti-corruption does not define “bribe” or “kickback,” which could make it difficult for employees to recognize potential issues and understand what behaviors are expected of them.

The Code uses good inclusive “we” language, though its sentence structures are sometimes more complex. At grade 15, the Code’s reading level is above Ethisphere’s recommended range of grade 10 to 12. While we understand that many VCU employees are highly educated and capable of reading at such a level, using complex language can lead to reader fatigue.

VCU’s Code makes good use of stakeholder- and values-based language. This communicates the “why” behind ethical conduct and helps employees better understand the importance of their own actions. The Code’s layout is highly engaging and clearly branded to the University, with excellent organization-specific images. To help readers navigate the resources and links it provides, the Code includes a section at the end called “Decoding Our Code.”

(*Recommendation on subsequent page)
**Written Standards**

**Consider More Prominent Location for the University’s Code**

**Recommendation:** On the whole, the review team was very impressed with VCU’s Code. Creating an interactive eBook is a leading practice that we are seeing more and more innovative programs implement. We recommend making the Code easier to access. Consider placing a link on the front page of VCU’s website or on the “Mission and History” page.

Upon the next revision of the Code, consider expanding the risk topic discussions to ensure that all relevant topics are addressed. In addition, VCU may wish to review the Code with an eye to simplifying language where possible.

While the “Decoding Our Code” section is helpful, it may be more useful to readers at the start of the document, so they can use this information to make the most of the Code as they read it. Consider moving this section to the beginning of the Code.
Written Standards

Revise Reading Level of VCU Policies

**Finding:** Ethisphere reviewed a handful of key VCU policies and interviewed the University’s senior policy and compliance specialist. When reviewing policies, Ethisphere considers many of the same factors as it does for codes of conduct, but places particular emphasis on three areas: readability and tone, comprehensiveness of content, and ownership information. Our standard is, “If I were a organization employee, could I find this policy? If so, would I read this policy and understand what I was supposed to do or not do, and where to go with questions?”

VCU maintains a library of standalone policies, many of which are publicly available online. Its “policy on policies” clearly describes the process of creating, updating, and managing policies, and the organization has dedicated personnel to following that process. At the moment, it is fairly manual, with limited technology-enabled workflow management, but the University runs an annual workshop on writing policies and has developed a style guide to ensure consistency and governance process to ensure appropriate reviews and approvals.

The vast majority of the policies that VCU provided employ a standard structure, with the notable exception of the FCPA policy which is purely website text. The structure includes all of the elements we would expect to see, such as ownership information, definitions of key terms, and FAQs.

The policies are very comprehensive and provide good practical guidance, but they are written in somewhat impersonal, authoritative third-person language that is at times rather complex. For example, the Intellectual Property Policy registers at a grade 17, or a graduate school level. As with the Code, we understand that many of VCU’s employees may be capable of reading at this level. However, such complex language can often lead to reader fatigue and reduce the likelihood that employees will truly absorb the policies’ guidance.

**Recommendation:** Ethisphere recommends that VCU consider devoting some resources to reviewing and revising its ethics and compliance policies to make them easier to read. Many organizations are adopting a standard reading level for policies; we generally recommend that policies should be written around a grade 12 level, to allow employees to easily read and retain the important guidance they offer. That said, if the University wants to vary the reading level by topic, that is also a common practice, and in that case we recommend carefully considering the typical audience for a given topic and adjusting language accordingly. Whichever approach is taken, be sure to include a readability analysis as part of the policy approval process to ensure this question is a standard consideration.

While we understand that FCPA is a lower risk area for the University, we also recommend developing a FCPA or anti-bribery policy to replace the current website language.
Written Standards

Ethics and Compliance Policy Distribution

EQ 4C.6 How are ethics and compliance policies generally distributed throughout your organization? (Multiple select)

- Based on risk, some policies are sent at least annually via email, either as attachments or as a link to downloadable file(s) (63% Headcount Peers, 67% Sector Peers, 62% All Honorees)
- All policies are provided on a site or portal that is accessible across the entire enterprise (100% Headcount Peers, 100% Sector Peers, 97% All Honorees)
- Based on risk, some policies are provided in hard copy at least annually to those employees without computer or internet access (19% Headcount Peers, 31% Sector Peers, 33% All Honorees)
- Policies are translated into all languages necessary to educate the employee base on the applicable risk or topic (88% Headcount Peers, 67% Sector Peers, 94% All Honorees)
- Hyperlinks to policies are included within some of our training (94% Headcount Peers, 89% Sector Peers, 91% All Honorees)
- Policies are provided as part of training (94% Headcount Peers, 72% Sector Peers, 85% All Honorees)
- Our policies are distributed in a unique fashion (25% Headcount Peers, 44% Sector Peers, 40% All Honorees)

Highlight denotes VCU survey response(s)
### Written Standards

**Written Policies by Risk Topic**

Eq 4C.5 Select the risk topics from the list below that are addressed in your organization’s written policies separate from the Code.

<table>
<thead>
<tr>
<th>Topics</th>
<th>All Honorees Data</th>
<th>WME Headcount Peer Data</th>
<th>WME Sector Peer Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information security</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Gifts and entertainment</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Equal employment opportunity</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Data privacy</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Workplace health and safety</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Confidential information</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Procurement integrity</td>
<td>98%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Workplace harassment</td>
<td>97%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Social media</td>
<td>97%</td>
<td>100%</td>
<td>94%</td>
</tr>
<tr>
<td>Records management</td>
<td>97%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Fair employment</td>
<td>96%</td>
<td>100%</td>
<td>94%</td>
</tr>
<tr>
<td>Conflicts of interest</td>
<td>96%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Financial integrity</td>
<td>96%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Non-retaliation</td>
<td>96%</td>
<td>100%</td>
<td>91%</td>
</tr>
<tr>
<td>Protecting organization assets</td>
<td>95%</td>
<td>94%</td>
<td>100%</td>
</tr>
<tr>
<td>Anticorruption</td>
<td>94%</td>
<td>100%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
**Written Standards**

*Consider Adopting Supplier Guidance*

**Finding:** VCU provided several documents outlining procurement guidelines and how suppliers are expected to do business with VCU. However, these documents do not describe the ethical conduct expected of suppliers as they represent VCU, which we would typically expect to see in a Supplier Code of Conduct.

**Recommendation:** Ethisphere recommends that VCU create a true Supplier Code of Conduct to outline the ethical commitments that suppliers must meet. Such documents typically address many of the same risk areas as employee codes of conduct, such as bribery, conflicts of interest, harassment and discrimination, and gifts and entertainment. They generally also state the organization’s right to audit suppliers and the expectation that suppliers will train their employees on ethics and compliance-related topics. Supplier codes are briefer than employee codes—generally about 3000 words in length.
Training & Communication Section Description

Ethisphere examines information regarding the organization’s current compliance training and communications programs to determine their quality and effectiveness.

Ethisphere seeks to ascertain whether initiatives are adequately planned and periodically evaluated for effectiveness, and whether the training is mandated for all employees, including senior management. Ethisphere also reviews whether this training obligation is ongoing and effective, including how the organization enforces its training requirements.

Lastly, Ethisphere reviews the extent to which the organization is providing information to managers on their special role in supporting the ethics and compliance program. Research continues to provide us with data indicating that immediate supervisors are not only the most likely source for information regarding an employee concern, but they are also the most looked-to role model for appropriate behavior. As a result, training these individuals to provide the right example of “how we do things here” is critically important to the success of the program and support of the culture.

Key Summary Training & Communication Recommendations

- Keep learners engaged through mature training mechanisms such as progressive course difficulty
- Review current systems to identify places where “just in time” training can be deployed
- Deploy a planning approach that incorporates training and communications strategies together
- Further equip managers with information (and resources) about their responsibilities to support the program
- Leverage the relationship with other leaders to diversify the voices delivering the integrity message around VCU

Section Considerations:

- 2018 Ethics Quotient survey responses
- Interviews with VCU leadership
- Key documents evidencing the training and communications program at VCU
Training & Communications

Consider a Multi-Year Training and Communications Plan

**Finding:** VCU’s current training planning process is focused on University-wide mandatory training, which occurs yearly. Specific additional training on particular risk areas is also deployed. The training outlined is risk-based, but the University utilizes limited function-specific training. In addition to ethics and compliance training, other functions (such as Human Resources and IS) also deploy training. Our interviewees were divided on how well coordinated those efforts currently are across functions.

VCU is not currently utilizing its Compliance Advisory Committee to plan out risk-specific training in a holistic fashion between functions, although the topic is often discussed as part of broader discussions with that group.

While this activity is outside our review process, the review team was made aware of current ongoing efforts to assess training using the Compliance Advisory Committee, and commends the ICO for this effort.

**Recommendation:** Ethisphere recommends that the University review its current training plan and look to expand into multi-year planning, as nearly all peer companies do. This is a place where the Compliance Advisory Committee might be especially impactful, identifying work other control functions are doing that the ICO might be able to leverage for its purposes, or identifying particular times where other training is being deployed that might preclude ICO-deployed training.
Training and Communications

Document C&E Training Curriculum

EQ 4E.2 Does your organization have a formally documented compliance and ethics training curriculum or plan?

Highlight denotes VCU survey response(s)
Training & Communications

Opportunities to Mature Training and Communications Planning

EQ 4E.3 Select the following that apply to your organization’s compliance and ethics training curriculum or plan. (Multiple select)

- [ ] Training & Communications
- [ ] Opportunities to Mature Training and Communications Planning

---

VCU was not presented the question due to survey skip logic.
Training & Communications

Revise Training Plan

EQ 4E.4 How does your compliance and ethics training curriculum or plan define target audiences? (Multiple select)

VCU was not presented the question due to survey skip logic.
EQ 4E.6 Indicate how the following targeted, risk-specific training programs are administered to employees in addition to or instead of Code of Conduct training. (Multiple select)

<table>
<thead>
<tr>
<th>All Honorees Data</th>
<th>Training delivered asynchronously (i.e., on-demand) using online or digital modalities</th>
<th>Training delivered synchronously (i.e., live) using online or digital modalities</th>
<th>Training delivered synchronously (i.e., live) using in-person training sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticorruption/bribery</td>
<td>41%</td>
<td>23%</td>
<td>36%</td>
</tr>
<tr>
<td>Antitrust/competition</td>
<td>39%</td>
<td>23%</td>
<td>38%</td>
</tr>
<tr>
<td>Confidential information</td>
<td>45%</td>
<td>22%</td>
<td>33%</td>
</tr>
<tr>
<td>Conflicts of interest</td>
<td>42%</td>
<td>24%</td>
<td>35%</td>
</tr>
<tr>
<td>Data privacy laws and regulations relevant to employee, customer, or consumer data</td>
<td>45%</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>Equal employment opportunity/diversity/discrimination</td>
<td>46%</td>
<td>23%</td>
<td>31%</td>
</tr>
<tr>
<td>Fair employment/labor standards</td>
<td>44%</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>Financial integrity and fraud</td>
<td>44%</td>
<td>22%</td>
<td>34%</td>
</tr>
<tr>
<td>Gifts and entertainment</td>
<td>42%</td>
<td>23%</td>
<td>35%</td>
</tr>
<tr>
<td>Information technology</td>
<td>47%</td>
<td>22%</td>
<td>30%</td>
</tr>
<tr>
<td>Non-retaliation policy and/or whistleblower protections</td>
<td>43%</td>
<td>21%</td>
<td>36%</td>
</tr>
<tr>
<td>Procurement integrity/dealing with supplier/supply chain oversight</td>
<td>41%</td>
<td>21%</td>
<td>38%</td>
</tr>
<tr>
<td>Records management and retention</td>
<td>46%</td>
<td>22%</td>
<td>32%</td>
</tr>
<tr>
<td>Social media</td>
<td>50%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Workplace harassment</td>
<td>45%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Workplace health and safety</td>
<td>42%</td>
<td>36%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Training & Communications

Consider Additional Mechanisms to Incentivize Completion of Training and Mature Just-in-Time Training

**Finding:** As noted, most of VCU’s current training is University-wide, although risk-specific training is deployed on sanctions and anti-corruption risk as needed. Our interviews indicated that training is an area where the colleague experience has been mixed in terms of coordination between departments, although the current training was praised as more engaging than prior years. Our interviews also indicated that, while the University’s training completion rates are high, the process of achieving those rates is a manual one, with the burden largely falling on the ICO team with the assistance of HR. The review team will note that the new Learning Management System (LMS), launched in February 2018, has assisted with achieving on-demand feedback for all managers.

**Recommendation:** Ethisphere recommends that the University look at available systems to identify places where “just in time” training can be deployed. An example is a travel booking system. Compliance officers are starting to insert red flag notifications into those systems for travel to certain countries, which would trigger a short course or communication to that employee of the rules regarding travel in that jurisdiction (e.g., an employee traveling to Russia would get a reminder about information security concerns and the gift and hospitality levels in that country). Similarly, before receiving approval to attend an industry event, employees might have to take a short antitrust course. Ethisphere recommends raising this option internally and examining the systems the University might use to implement such an approach beyond the work currently being done by the Office of Research and Innovation.

In addition, consider ways to streamline the process of achieving high training completion rates. In addition to leveraging HR, which the ICO currently does, as well as (where appropriate) an employee’s manager, we are seeing organizations institute incentives for those units that complete their training first, thus highlighting those who achieve compliance as opposed to those who lag. Consider whether such an approach could be utilized at the University, especially if led by more senior University personnel.
Training & Communications

Consider Additional Mechanisms to Incentivize Completions

EQ 4E.9 How does your organization encourage or enforce completion of compliance and ethics-related training? (Multiple select)

<table>
<thead>
<tr>
<th>Action</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion of training is factored into performance evaluations</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Completion of training is factored into raise and/or bonus decisions</td>
<td>56%</td>
<td>39%</td>
<td>33%</td>
</tr>
<tr>
<td>Department heads or business unit leaders are held accountable for completion rates</td>
<td>33%</td>
<td>33%</td>
<td>48%</td>
</tr>
<tr>
<td>Managers are held accountable for completion rates of direct reports</td>
<td>11%</td>
<td>11%</td>
<td>23%</td>
</tr>
<tr>
<td>Direct reminder email(s) periodically delivered to participants with outstanding training obligations</td>
<td>23%</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>Direct late notice email(s) delivered to participants that failed to complete the training in the desired timeframe</td>
<td>23%</td>
<td>89%</td>
<td>90%</td>
</tr>
<tr>
<td>Other encouragement techniques</td>
<td>15%</td>
<td>83%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Training & Communications

Consider Mature Training Practices that are Function-Focused

EQ 4E.8 Which of the following compliance- and ethics-related training practices does your organization utilize? (Multiple select)

- Headcount Peers
- Sector Peers
- All Honorees

<table>
<thead>
<tr>
<th>Practice</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pretests to assess baseline knowledge and assign individual curriculum or course(s) accordingly</td>
<td>38%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>Pretests to provide employees an opportunity to “test out” of training</td>
<td>6%</td>
<td>11%</td>
<td>21%</td>
</tr>
<tr>
<td>Progressive course difficulty based on employee job responsibilities</td>
<td>19%</td>
<td>28%</td>
<td>37%</td>
</tr>
<tr>
<td>Progressive course difficulty based on employee tenure</td>
<td>6%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Allowing employees to select or self-direct the topics covered in a certain amount of their required training</td>
<td>25%</td>
<td>17%</td>
<td>25%</td>
</tr>
<tr>
<td>None of the above</td>
<td>50%</td>
<td>50%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
**Training & Communications**

**Establish Manager Professional Development Curriculum**

**Finding:** As noted in the “Ethical Culture and Tone” section, managers are not consistently provided with targeted training about all of their special responsibilities to support the University’s ethics and compliance program, especially among those manager groups with higher levels of turnover. HR is providing managers with statutorily required training around harassment and related topics.

As Alex Dimitrief, former General Counsel of GE, notes in his *Integrity Matters* podcast, there is no better messenger for an ethics program than your direct leader. Actively promoting your individual perspective on an issue is tremendously impactful (see also *Integrity Matters* at 29:29).

**Recommendation:** As already identified during Ethisphere’s interviews, there clearly is an opportunity to further equip managers with information about their responsibilities to support the ethics and compliance program and, more importantly, the resources to assist them.

We recommend establishing a manager professional development learning curriculum for all levels of managers, which would include training for all existing managers as a level-setting exercise, new manager training as a part of onboarding for incoming managers, and periodic refresher training for tenured managers. The content should cover addressing employee concerns, actively listening to employee concerns, incorporating ethical decision-making into conversations with direct reports, creating an open-door environment, the University’s commitment to non-retaliation, the investigation process and, most importantly, understanding why all of that matters. Peer practices in this area are set out in the following slides.

Also consider whether there is an opportunity for more experienced managers to “mentor” newer managers to make sure they are prepared for the scope of their responsibilities.

---

EQ 4E.10 Does your organization provide targeted training to managers with direct reports on their special responsibilities with regards to compliance and ethics?

- Yes, to all managers: 94% (Headcount Peers), 75% (Sector Peers), 75% (All Honorees)
- Yes, more than half of managers receive manager-specific compliance and ethics training: 6% (Headcount Peers), 8% (Sector Peers), 8% (All Honorees)
- Yes, fewer than half of managers receive manager-specific compliance and ethics training: 6% (Headcount Peers), 0% (Sector Peers), 11% (All Honorees)
- No: 6% (Headcount Peers), 0% (Sector Peers), 5% (All Honorees)

Highlight denotes VCU survey response(s)
Training & Communications

Establish Manager Professional Development Curriculum

EQ 4E.11 Select the following that applies to the manager training on compliance and ethics. (Multiple select)

Conducted as a part of new manager orientation: 80% Headcount Peers, 83% Sector Peers, 87% All Honorees
Conducted on a periodic basis, at least every two years: 89% Headcount Peers, 89% Sector Peers, 89% All Honorees
Content is reviewed and refreshed periodically, at least every two years: 84% Headcount Peers, 87% Sector Peers, 89% All Honorees
Tracked for completion rates: 86% Headcount Peers, 89% Sector Peers, 89% All Honorees
Includes testing that measures manager training knowledge comprehension: 67% Headcount Peers, 44% Sector Peers, 56% All Honorees
Testing results are tracked and maintained: 43% Headcount Peers, 28% Sector Peers, 40% All Honorees
Completion of training is a part of a manager’s performance evaluation: 65% Headcount Peers, 67% Sector Peers, 61% All Honorees
Completion is mandatory for all managers with direct reports: 65% Headcount Peers, 67% Sector Peers, 53% All Honorees
None of the above: 2% Headcount Peers, 0% Sector Peers, 0% All Honorees

Highlight denotes VCU survey response(s)
## Training & Communications

### Establish Manager Professional Development Curriculum

EQ 4E.12 Select the following topics that are addressed by the manager training on compliance and ethics.

(Multiple select)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectively communicating ethics to subordinates</td>
<td>90%</td>
<td>96%</td>
<td>80%</td>
</tr>
<tr>
<td>Promoting a culture of compliance and ethics</td>
<td>98%</td>
<td>87%</td>
<td>93%</td>
</tr>
<tr>
<td>Incorporating ethics in business decision making</td>
<td>94%</td>
<td>93%</td>
<td>100%</td>
</tr>
<tr>
<td>Encouraging employees to speak up and report</td>
<td>93%</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Handling employee concerns</td>
<td>94%</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Identifying and preventing retaliation</td>
<td>90%</td>
<td>94%</td>
<td>93%</td>
</tr>
<tr>
<td>Creating and maintaining an open door environment</td>
<td>94%</td>
<td>100%</td>
<td>33%</td>
</tr>
<tr>
<td>Conducting employment interviews</td>
<td>47%</td>
<td>50%</td>
<td>49%</td>
</tr>
<tr>
<td>Other topics</td>
<td>33%</td>
<td>44%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Training & Communications

**Develop a Documented Communication Plan for Ethics-Related Initiatives**

**Finding:** VCU maintains a yearly communication plan for ICO-related initiatives that includes materials from the University's newest vendor, Broadcat. While senior leaders are more than willing to support the program, such activities are more ad hoc than matched to training and other University events, and the majority of messages are delivered by the ICO or other related control functions, and not by other leaders across the University.

The University is making good use of real-life fact patterns in its current communications, however, which is a leading practice.

**Recommendation:** As the next slide indicates, the vast majority of the University's peers maintain a documented communication plan that covers communication activities from multiple functions. For half of similarly-situated organizations, that plan covers multiple years (most commonly two years), which allows for greater visibility into topics to be covered as well as additional planning around meetings that might provide a good forum for messaging. The review team recommends the University move to such a planning process, and incorporate topics that are planned by compliance area leads in addition to ICO-directed initiatives.

In addition, examine opportunities to diversify the voices delivering integrity messaging by, for example, asking heads of schools or colleges to utilize one of their gatherings to discuss a particular issue. This has two advantages: first, it moves the conversation away from email, which can often get lost, and second, it allows the local leader to put the topic in her own words, which her direct reports will often find more impactful. This may be one place where the Compliance Advisory Committee could be particularly impactful, especially around major initiatives.
Training & Communications

Opportunities to Expand Compliance and Ethics Communications Plan

EQ 4E.15 Does your compliance and ethics function maintain a documented compliance and ethics communication plan?

- Yes: 94% (Headcount Peers), 89% (Sector Peers), 96% (All Honorees)
- No: 6% (Headcount Peers), 11% (Sector Peers), 4% (All Honorees)

Highlight denotes VCU survey response(s)
Training & Communications

Opportunities to Expand Compliance and Ethics Communications Plan

EQ 4E.16 Select the following that apply to your organization’s compliance and ethics communications plan. (Multiple select)

Highlight denotes VCU survey response(s)
### Training & Communications

**Opportunities to Expand Compliance and Ethics Messaging**

EQ 4E.20 Select which types of communication involving senior executives outside the compliance function, such as the CEO, are used to discuss compliance and ethics within your organization.

<table>
<thead>
<tr>
<th>Communication Modalities</th>
<th>All Honorees Data</th>
<th>Headcount Peer Data</th>
<th>Sector Peer Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalized letter of introduction to the written Code of Conduct</td>
<td>93%</td>
<td>100%</td>
<td>94%</td>
</tr>
<tr>
<td>Personalized introduction to compliance and ethics training</td>
<td>83%</td>
<td>81%</td>
<td>67%</td>
</tr>
<tr>
<td>Emails to the workforce</td>
<td>90%</td>
<td>94%</td>
<td>83%</td>
</tr>
<tr>
<td>Onboarding video</td>
<td>57%</td>
<td>44%</td>
<td>61%</td>
</tr>
<tr>
<td>Intranet site video</td>
<td>60%</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>Podcast</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Town hall meetings lead by senior leadership</td>
<td>87%</td>
<td>94%</td>
<td>83%</td>
</tr>
<tr>
<td>Internal meetings involving senior leadership</td>
<td>96%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Interactive Q&amp;A forum, chat functionality</td>
<td>37%</td>
<td>38%</td>
<td>44%</td>
</tr>
<tr>
<td>Compliance and ethics blog by member(s) of senior leadership</td>
<td>33%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Newsletter</td>
<td>55%</td>
<td>31%</td>
<td>72%</td>
</tr>
<tr>
<td>Social media</td>
<td>40%</td>
<td>50%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Training & Communications

Communicate About Real-Life Events

EQ 4E.22 Does the compliance and ethics function include examples of real world ethical or compliance dilemmas or issues in their communications?

- Headcount Peers
- Sector Peers
- All Honorees

<table>
<thead>
<tr>
<th>Category</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we use things that have happened outside our organization</td>
<td>94%</td>
<td>94%</td>
<td>91%</td>
</tr>
<tr>
<td>Yes, we use things that have happened at our organization</td>
<td>94%</td>
<td>89%</td>
<td>87%</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td>2%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
**Finding:** VCU is tracking to peer companies in some of the key measures of effectiveness it is currently utilizing to measure whether training is working. This is an area of continuing challenge for many organizations. After all, the average learner retains approximately 10 percent of what we see, 30 to 40 percent of what we see and hear, and 90 percent of what we see, hear, and do (see "Adult Learning," by Malcolm S. Knowles, *The ASTD Training & Development Handbook: A Guide to Human Resource Development*, Robert L. Craig, editor, 1996).

Very little compliance training targets all three types of learning. Measures of training effectiveness like post-training quizzes are extremely common, and the University is using them, but while they measure immediate comprehension of the material, their longer-term utility in measuring behavior change is limited.

**Recommendation:** As the chart on the following page reflects, most of VCU’s peers are using a variety of methods to measure training effectiveness. One key measurement method that the University is not currently utilizing is policy access. Spikes in access to particular policies, a spate of questions about a particular area, or a series of reports on a particular issue can all be indications that training is working. While our interviews suggested that ICO personnel or HR personnel are seeing that kind of activity, especially following training, the University is not collecting that information in a format where it can be easily utilized. One potential half-step might be a regular short survey to compliance area leads or managers on a quarterly basis asking them to rank the areas they’re getting questions on (i.e., please rank the following topics from first to last, etc.). Another option is to raise the regular request made at the Compliance Advisory Committee for trends to something more formal.

A little more than a quarter of peers are utilizing knowledge assessments—spot quizzes, either online or via audit questions—that measure retained knowledge. Fifty percent of Industry Peers are tracking policy access, looking for spikes that indicate a particular course or modality hit a nerve. Of course, the ability to do so requires a robust case management system utilized by all relevant parties that also captures open-door reports to the extent feasible, as well as a process of tracking click metrics on University materials.
EQ 4E.14 Identify which of the following methods you utilize to measure the effectiveness of your compliance training. (Multiple select)
Risk Assessment, Monitoring & Auditing

Risk Assessment, Monitoring & Auditing Section Description

Section 5 focuses on how the organization identifies its key risks and accordingly determines how to allocate related resources (both inside the compliance function and outside of it). This includes determining whether the organization conducts periodic evaluations of the effectiveness of its ethics and compliance program, as well as whether it uses a risk assessment system to evaluate the organization’s high-risk areas. Supply chain oversight systems and anti-corruption compliance efforts are taken into account, as applicable. Ethisphere also evaluates whether the organization employs auditing and monitoring systems designed to prevent and detect misconduct. Among other things, it looks into whether the organization operates a whistleblower system, providing employees mechanisms by which they can anonymously report misconduct and seek guidance on issues or questions. In addition, organizations have made tremendous progress over the last decade in consolidating their case management systems into an integrated tracking platform, and we review the extent to which efforts are being made to utilize such an approach. Finally, Ethisphere reviews whether the organization is using reasonable efforts to exclude from positions of high authority any individuals who have engaged in illegal activities or other improper conduct.

Key Risk Assessment, Monitoring & Auditing Summary Recommendations

- Bolster the current risk assessment process using systematic metrics, such as usage of ICO resources
- Continue implementation of new processes around individual and institutional conflicts of interest monitoring
- Continue work to integrate case management systems and review current use of root cause analysis

Section Considerations:

- 2018 Ethics Quotient survey responses
- Interviews with VCU leadership
- Key documents evidencing risk assessment, monitoring and auditing efforts
Risk Assessment, Monitoring & Auditing

Enhance Risk Assessment Process Using Data as Part of Root Cause Analysis

**Finding:** VCU maintains a robust and multi-function risk assessment process, with the ICO partnering closely with Internal Audit in assessing risk. The process includes collaborative sessions and multiple stakeholders. In addition, the University’s conflicts of interest disclosure system has been significantly upgraded and will provide interesting metrics for use in future risk analysis. Current use of systemic metrics, such as phishing rate failures, is limited but our interviews suggested interest in adding data sources to the process. The current process of aligning budget to risk appetite is also limited.

The University is not currently utilizing a routinized root cause analysis process on all investigations, regardless of reporting source, although our interviews indicated that both HR and the ICO are interested in doing so and are doing so on major inquiries, and that root cause is a regular documented practice in the Internal Audit team.

**Recommendation:** The University’s risk assessment process, while strong, could benefit from a more systematic use of metrics, such as on manager usage of resources, open rates on emails from ICO, data associated with other integrity-related messaging, and more.

Ethisphere recommends that VCU also consider finding a place in the process for additional information gathering, perhaps through Internal Audit’s site visits. We see organizations arming Internal Audit with three to four questions to ask people in order to assess awareness of resources and comfort level in raising concerns (see, e.g., the Kaplan and Walker blog post titled “Audit Interviews Regarding Employee C&E Knowledge,” available at kaplanwalker.com).

Additionally, consider the current root cause analysis process on investigations. We are increasingly seeing companies not only conduct root cause analysis on substantiated cases, but also on unsubstantiated cases from a cultural perspective. In other words, the organization will ask, “What caused this person to raise this concern?” Even if there was not a code or policy violation involved, there is still information to be gathered by asking about motivations. Our observation is that there is often a cultural component that may need to be addressed.

Finally, identify places where budget and risk appetite could be more closely aligned; this will allow the University to full unlock the power of a solid risk assessment and leverage coordinated activities more easily.
Risk Assessment, Monitoring & Auditing

**Continue Integration of Case Management System Usage**

**Finding:** VCU maintains several different ways to raise a concern depending upon your role at the organization, including a hotline, the Maxient system, the HR function, and the Ombudsperson. As a result, the organization also has historically maintained multiple tracking systems, although steps have been taken to rapidly align the Convercent case management system as the primary system along with the Maxient system. HR responsibility is also bifurcated depending on function; faculty HR matters are under the Office of the Provost.

The Convercent system includes proxy reporting functionality, and managers have received training on how to use that proxy reporting system to easily submit issues raised directly to them into the Convercent system.

Responsibility for investigations is shared by different functions, primarily Student Affairs, HR/EAS, and the ICO, with support from other functions like IS as needed. ICO oversees those investigations that come in to their tracking process, even if those investigations are conducted by others. In-person meetings are utilized to coordinate investigations with a variety of groups (VCU Health Sciences, multi-functional VCU Health System Coordination Meetings, and a ‘trends and themes’ university quarterly meeting), as well as one on one meetings. A broader review of trends is also conducted at Compliance Advisory Committee meetings.

Maintaining multiple systems makes it challenging to ensure that the same disciplinary approach is being followed for similar misconduct. “Lessons learned” analysis is conducted on certain cases, primarily those involving allegations of sexual violence. Review of discipline for calibration across the organization appears to have been ad hoc.
Recommendation: Our dataset indicates that, on average, 65 percent of those employees who saw something reported it to their manager. As a result, ensuring that managers can easily route misconduct matters into the case tracking system and understand the reasons why doing so is important. The ICO has strong practices to make sure managers understand the proxy reporting process, and we recommend that continues to be an area of focus.

Utilizing one consistent system with consistent tagging of issues, root cause analysis terms, and follow-up channels across the organization has moved from leading practice almost to baseline expectation. This becomes even more important when responsibility for investigations—and the remedial actions that arise from those investigations—is the responsibility of a variety of functions, depending on the topic being investigated and the individuals involved. Without an overarching view into disciplinary decision-making, it is difficult to ensure that similar disciplinary decisions are being made for similar types of misconduct, which often exacerbates perceptions of a lack of organizational justice. We recommend that the Maxient system’s functionality should be examined and weighed against the functionality of the Convercent system. If the University determined to continue multiple systems, be sure the coordination remains rigorous.

Finally, review the varied use of root cause analysis and verify that all groups conducting investigations are utilizing a root cause process consistently. Ideally, a common case management system will facilitate use of a common taxonomy, allowing tracking and trending analysis over time. Increasingly, companies are moving to one consistent investigation process and report template, as reflected in our 2018 BELA Special Report on Root Cause (data on slide 65), where we found a full third of the community is training investigators together.
The compliance and ethics function routinely tracks reports and related cases, regardless of how they were received. Different functions or business units track different reports and related cases. The compliance and ethics function routinely tracks reports received through the hotline or similar channels, but open door reports are not normally tracked. None of the above.

EQ 4H.2 Indicate how your organization tracks reported incidences of ethical misconduct. (Multiple select)
Risk Assessment, Monitoring & Auditing

**Consider Consolidated Training for Investigators**

Chart – How is your organization training investigators?

- **51%**
  - We train those investigators that conduct compliance investigations, and other units train their investigators separately

- **33%**
  - We train all investigators using the same protocol and all investigators use the same template for investigations

- **16%**
  - We do not train investigators, but rely on their background

*BELA Member Participants (n=51)*

**Finding:** VCU has solid practices around sharing certain kinds of statistics, particularly those related to student matters (harassment, etc.). Data is also shared publicly through the University’s website via the *Integrity and Compliance Annual Report*, which covers training (both topics covered and numbers trained), reported concerns, including anonymity rates and substantiation rates, as well as the University’s ERM process. It is a very robust resource; that said, the review team was not able to ascertain whether the University is tracking the extent to which that information is accessed.

The University has also shared some information on its investigation process on the “Compliance Investigations” section of the ICO’s website, which covers at a high level the process the ICO would use in the event a concern is raised. That information is supplemented by information in the *Integrity and Compliance Annual Report*, provided the inquiring individual has read both.

**Recommendation:** As noted, the current *Integrity and Compliance Annual Report* is a robust resource that should be shared broadly; Ethiscope recommends the University consider the extent to which the information in it is reaching its stakeholders, through a tracking and perhaps a communication initiative. Consider asking leaders to specifically share information of interest to their specific schools or colleges, or look for other opportunities to highlight the good work showcased in the report. In addition, to the extent feasible, look for opportunities to share the data between editions of the report.

We are also seeing a trend where organizations are specifically communicating around their reporting process, including the steps they take, the average length of time an investigation might require, and the types of people the organization might need to speak with, in an effort to educate stakeholders on the process. These efforts have been well received; generally speaking, any transparency that can be brought to the system pays dividends. Consider the extent to which VCU can move to showing what happens when something goes into the reporting systems.
EQ 4F.7 Separate from reports to the Board or other governing authority, does your organization communicate how many concerns were reported, the types of concerns reported, and the results of reports and investigations? (Multiple select)

- Yes, and we make this information available to the public as a stand-alone report
- Yes, and we make this information available to the public in our CSR report and/or in our annual report
- Yes, and we circulate this information to all employees
- Yes, and we circulate this information to senior leaders or management
- No, we do not communicate this information

Highlight denotes VCU survey response(s)
The program components that comprise enforcement, discipline, and incentives have undergone tremendous growth over the last few years and remain an area of considerable focus for regulatory authorities. This reflects a growing understanding that the systems that incentivize and promote employees across an organization are the best culture markers, and culture creators, available to an organization.

Ethisphere reviews whether the organization enforces and encourages compliance through disciplinary measures and incentives, and whether the promotion system and performance evaluation systems allow for ethics and compliance input. Ethisphere also verifies whether the organization is taking reasonable steps to respond to and prevent instances of similar misconduct, including making any necessary changes to its policies and procedures.

Lastly, we consider the extent to which companies are taking advantage of available data to monitor the wellbeing of those who have raised concerns.

Consistently provide all managers with manager-specific training on retaliation

Review the current ways in which VCU is monitoring those employees who raise concerns for indicia of retaliation across reporting channels, and consider a process where the organization explicitly and regularly checks back in with those individuals after the close of an investigation.
Enforcement, Discipline & Incentives

Consider Following Up with Known Reporters

Finding: The primary reason most employees do not raise a concern is a fear of retaliation. That is why many organizations have moved beyond the mere maintenance of a non-retaliation policy to regular monitoring for signs of retaliation. The ICO is utilizing some mechanisms to monitor employees who raise concerns for indicia of retaliation, but the maintenance of multiple systems across the organization complicates consistent use of mechanisms such as following up with those employees who raise a concern post-investigation to see if they have any concerns in its aftermath. In addition, not all functions that conduct investigations conduct the kind of monitoring that ICO does, which it refers to as “retaliation watch.” In addition, the ICO checks in with those who participate in an ICO-conducted investigation six months following the close of the investigation to discuss how things are going.

While managers receive information regarding VCU’s non-retaliation policy, the content is minimally mentioned in annual training and with new hires and new Chairs.

Recommendation: In line with the manager training finding and recommendation set forth in the “Training and Communications” section, Ethisphere recommends that VCU consider consistently providing all managers with enhanced manager-specific training on retaliation. This should cover why retaliation is such a concern, what retaliation looks like to an employee, and how to avoid engaging in retaliation.

We also recommend that the University review the current ways in which it is monitoring those employees who raise concerns across functions for indicia of retaliation across the organization, and consider whether it is appropriate to implement a process where the organization explicitly checks back in with those individuals post-close of an investigation, regardless of who investigated the issue. This is a growing practice and provides an opportunity to thank known reporters, ask about their experience with the process, and reaffirm VCU’s commitment to non-retaliation.
Enforcement, Discipline and Incentives

Strong Non-Retaliation Communication Practices with Opportunities to Expand

EQ 4H.3 Indicate which of the following aspects, if any, apply to your organization’s non-retaliation policy? (Multiple select)

- Specifies that report must be made in good faith: 100% (Headcount Peers), 100% (Setor Peers), 95% (All Honorees)
- Communicated in the Code of Conduct: 100% (Headcount Peers), 94% (Setor Peers), 99% (All Honorees)
- Communicated as a stand-alone policy: 88% (Headcount Peers), 83% (Setor Peers), 74% (All Honorees)
- Included in misconduct reporting messaging: 94% (Headcount Peers), 94% (Setor Peers), 94% (All Honorees)
- Management is required to receive non-retaliation training: 69% (Headcount Peers), 69% (Setor Peers), 69% (All Honorees)
- Specified that retaliation is against the law: 89% (Headcount Peers), 89% (Setor Peers), 89% (All Honorees)
- Non-retaliation statement is present in executive communications: 75% (Headcount Peers), 83% (Setor Peers), 83% (All Honorees)
- Include messaging at the end of an interview that the company does not tolerate retaliation: 94% (Headcount Peers), 94% (Setor Peers), 87% (All Honorees)
Enforcement, Discipline and Incentives

**Strong Practices to Protect Those Who Raise Concerns from Retaliation**

EQ 4H.4 Indicate which established procedures your organization has to protect employees who report suspected misconduct. (Multiple select)

- Headcount Peers
- Sector Peers
- All Honorees

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Headcount Peers</th>
<th>Sector Peers</th>
<th>All Honorees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor sick day usage of the reporting individual</td>
<td>25%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Monitor the reporting individual for any change in performance evaluations</td>
<td>44%</td>
<td>33%</td>
<td>38%</td>
</tr>
<tr>
<td>Monitor whether the reporting individual has a change in job status</td>
<td>38%</td>
<td>50%</td>
<td>46%</td>
</tr>
<tr>
<td>Process to follow up with the reporting individual to inquire whether they have felt any form of retaliation</td>
<td>38%</td>
<td>50%</td>
<td>46%</td>
</tr>
<tr>
<td>Inform the reporting individual at the time of report of non-retaliation policy</td>
<td>100%</td>
<td>100%</td>
<td>96%</td>
</tr>
<tr>
<td>Process to determine whether an employee facing involuntary termination has reported misconduct</td>
<td>56%</td>
<td>72%</td>
<td>42%</td>
</tr>
<tr>
<td>Unique procedures to protect employees</td>
<td>25%</td>
<td>28%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Highlight denotes VCU survey response(s)
Appendix A:
Management Interview Participants
## Appendix A
### Management Interviews

The following individuals were interviewed by Ethisphere as part of VCU’s design and effectiveness review:

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashley Green</td>
<td>Senior University Integrity and Compliance Specialist</td>
</tr>
<tr>
<td>Jaycee Dempsey</td>
<td>Senior University Integrity and Compliance Specialist</td>
</tr>
<tr>
<td>Jacqueline Kniska</td>
<td>University Chief Integrity and Compliance Officer</td>
</tr>
<tr>
<td>Bill Cole</td>
<td>Executive Director of Audit and Compliance Services</td>
</tr>
<tr>
<td>Laura Rugless</td>
<td>Executive Director, Equity &amp; Access Services and Title IX Coordinator</td>
</tr>
<tr>
<td>Jill McCormack</td>
<td>VP, Chief Compliance and Privacy Officer</td>
</tr>
<tr>
<td>David Litton</td>
<td>Director, Audit and Management Services</td>
</tr>
<tr>
<td>Tony Rapchick</td>
<td>Senior University Compliance and Policy Specialist</td>
</tr>
<tr>
<td>Dan Han</td>
<td>Chief Information Security Officer</td>
</tr>
<tr>
<td>Cathleen Burke</td>
<td>Assistant Vice President for Human Resources</td>
</tr>
</tbody>
</table>
Thank You

Contact Us

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Integrity and Compliance
Annual Report
FY2017
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Welcome to the Annual Report of VCU’s Integrity and Compliance Efforts for fiscal year (FY) 2017. Since the inception of this report in 2012, the goal has been to enhance content each year; building on a solid foundation for an ethics and compliance program, modeled and supported by various regulatory drivers, industry best practices, and, at its core, rooted in the minimal requirements of the Federal Sentencing Guidelines (FSG). This report now goes well beyond basic misconduct reporting statistics by providing a substantive account of selected universitywide integrity and compliance activities. This report will continue to be enhanced and presented to the Board of Visitors’ Audit, Integrity, and Compliance Committee; the President and Cabinet; the Compliance Advisory Committee; and other audiences throughout the university community. Feedback and inquiries regarding the content and any suggestions for future reports are welcome.

The purpose of this report is two-fold. First, to support the Board in fulfilling its obligation as the university’s governing authority by providing the information needed on aspects of the university’s integrity and compliance activities. This charge comes directly from the FSG and is addressed by the following language, “[The] Governing authority shall be knowledgeable of and exercise reasonable oversight with respect to the implementation and effectiveness of the ethics and compliance program” as well as from widely accepted governance practices. And, secondly, to facilitate awareness and transparency throughout the university as related to ethics and compliance matters.

The hope is that the readers will gain awareness of VCU’s integrity and compliance activities, events and resources. It is intended as a supplement to the established quarterly Board reporting and will permit more discussion time during scheduled Board meetings for highlights of timely activities and events throughout the year as is also expected by the FSG.

The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the ethics and compliance program, to the individuals referred to in a subparagraph (B) [the governing authority] by conducting effective training programs and otherwise disseminating information appropriate to such individuals’ respective roles and responsibilities.

Current Landscape and Industry Trends

The focus on ethics and compliance activities continues to intensify throughout all industries. Institutions of higher education are not exempt and certainly experience the increased pressure to comply with requirements and maintain an ethical culture. Given its scope and complexity, ethics and compliance pressures on VCU remain substantial.

Maintaining an effective ethics and compliance program in an ever-changing regulatory landscape, while facing competing interests in the current economy, are major concerns for organizations, including VCU. Developing and supporting an approach based in regulatory and industry best practices, that permits
dedicated resources to systematically translate obligations and expectations into appropriate actions by responsible institutional departments, requires sustained commitment at the highest levels.

Specifically, the national and state scales have been making inquiries into the “cost of compliance” which is inordinately difficult to calculate. Requests have come from the US Congress and state agencies. More locally, at VCU, the Enterprise Risk Management (ERM) process has been enhanced to include input from both compliance and ethics as well as legal perspectives.

VCU continues to focus on doing not only what is legally required, but also doing what is right. This focus guides the ethics and compliance program and supports all compliance partners throughout VCU who are dedicated to continuing their compliance and ethics education and monitoring activities, ensuring that the highest standards are met, and constantly working to assess and mitigate risks.

**Annual Integrity and Compliance Education Requirement**

This education requirement is the single largest scale proactive endeavor from the Ethics and Compliance Program. The content reminds individuals of VCU’s core values and expectations and highlights additional topics based on institutional risks. This year showed marked improvement in completion rates (completion is classified as a passing score on a comprehension quiz) with an overall completion rate of 89% (compared to 67% in 2015). All employee types improved completion; specifically, the most improved were adjunct faculty (+57%), Qatar faculty (+44%) and hourly/other (+35%). Law Enforcement remained at 100%, while other groups improved as well: professional faculty (+4%), administration faculty (+5%), teaching and research faculty (+12%), student employees (+15%), classified (+9%) and clinic/MD faculty (+21%).

**Reported Concerns Overview**

Overall, reports to, and utilization of, all trusted advisors provide opportunities to examine policy adherence and enforce accountability, when necessary. The university’s compliance and ethics partners received and managed a total of 273 reports representing 259 unique concerns; a decrease of 11% over FY 2016. The Integrity and Compliance Office experienced an 11% decrease in concerns reported over last fiscal year, following a 3% increase in FY 2016. No newly discovered patterns or practices of concern nor systemic misconduct have been identified.
Breakdown of Reports to All Trusted Advisors Based on Independence

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports to Independent Option – ICO</td>
<td>73</td>
<td>88</td>
<td>91</td>
<td>81</td>
</tr>
<tr>
<td>Reports to Independent Option – Internal Audit</td>
<td>N/A</td>
<td>14</td>
<td>24</td>
<td>7</td>
</tr>
<tr>
<td>Reports to Management Option – Compliance Partners</td>
<td>194</td>
<td>197</td>
<td>192</td>
<td>185</td>
</tr>
<tr>
<td>Total Reports</td>
<td>267</td>
<td>299</td>
<td>307</td>
<td>273</td>
</tr>
<tr>
<td>% Reported to Audit and Compliance Services – independent Option</td>
<td>27%</td>
<td>34%</td>
<td>37%</td>
<td>32%</td>
</tr>
</tbody>
</table>

As consistent with prior years and national trends (when considering reports in which employees were named as the subject), allegations classified as Human Resource-related topics remain steady and represent the majority of these reported concerns at 61%, with a 43% substantiation rate.

It is also notable that while 7% of reports in which employees were named as the subject make reference to perceived retaliation, when explicitly analyzing reports made directly to the ICO or through the Helpline, the mention of retaliation climbs to 20%. This is not unexpected given that the ICO maintains the only internal anonymous reporting method—the VCU Helpline—and individuals concerned with retaliation are generally less likely to be comfortable revealing identity.

**Conflicts of Interest**

This year’s state requirements were fulfilled with a 100% compliance rate. Upon review of disclosures, any potential errors were handled through direct messaging for appropriate reporting and re-enforcement of the individual obligation in complete reporting. These minor errors are attributed to a change in this cycle’s online form and there is no indication of ill-intent or concern. All identified conflicts continue to be managed appropriately.

VCU remains behind current practice compared to other institutions concerning an established universitywide policy and implementation program addressing conflict of interest and commitment matters. Currently, all employees are required to complete annual education covering some expectations related to this topic; however the lack of an approved policy and specialized training causes matters to be responded to in an ad hoc fashion and not always through a central office. A draft policy has been created with relevant stakeholders and will undergo the governance process in fall 2017. Details for an implementation program still need to be determined. The process for reporting individual conflicts in research activities is already established and operates at a more mature level. It continues to be heavily monitored and managed.

**Privacy**

VCU remains behind current practice concerning implementation programs addressing privacy related matters compared to other Academic Medical Research Centers. The nature of university activities and our interdependent relationship with VCU Health System further adds to the complexity of privacy in our environment and the many layers within. While currently there is neither a central Privacy Officer by title
nor established clarity around primary responsibility and accountability, both central compliance offices and legal offices from VCU and VCUHS have been working toward achieving the needed clarity. Without establishing this needed clarity, topics related to privacy may go unaddressed or addressed by individuals without expertise who may or may not have decision making authority. This approach, one of operating in silos and at times without clear expectations, often results in leadership being unaware of issues and increases inconsistencies throughout the university. Privacy touches several areas of the university; specifically concerning, but not limited to:

- student education records and FERPA;
- big data, algorithms, analytics, and responsible use;
- information security monitoring and the privacy impact of surveillance;
- emerging privacy areas such as the Internet of Things (IoT), wearables, drones, location data, and augmented reality;
- open records laws and academic freedom;
- human subjects research and institutional review boards (IRBs);
- medical schools and/or academic medical centers and HIPAA;
- HIPAA on campus (e.g., student health centers, unit-based research);
- international students, scholars, and visitors;
- contractual agreements; and
- credit card processing and Payment Card Industry Data Security Standards (PCI DSS), available from the PCI Security Standards Council

It remains a priority for FY18.
**Policy Program**

In addition to the metrics below, the Policy Program began an initial gap assessment based on federal and state requirements for formal, written policies this year. As responses are received, the Board and stakeholder audiences will be apprised of any significant issues.
Overall Notes and Effectiveness Statement

Apart from the challenges organizations of similar scope and complexity experience, (generally relating to communication, documentation and accountability) no newly discovered patterns or practices of systemic misconduct have been identified this fiscal year. However, further progress of ethics and compliance initiatives continues to be impacted by the lean nature of administrative staffing and turnover. This results in challenges related to learning curves of new employees; loss of employees with significant institutional knowledge; duration and effort to fill vacancies; and an increase in the workload of remaining employees when vacancies occur.

Overall, the Ethics and Compliance Program continues to operate from a position of strength in:

- supporting creation and maintenance of clear expectations;
- supplying reporting mechanisms to identify perceived or actual misconduct;
- ensuring resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified; and
- reporting to the governing authority on matters of progress and of concern.

Additionally, the network of trusted advisors, known as compliance partners, and the continued commitment by Compliance Advisory Committee members adds to the strength of VCU’s capacity for ethics and compliance effectiveness. The role of management to enforce expectations and set the tone of integrity in all operations remains critical.

The ICO continually reviews its operations to ensure the program is evolving to meet the needs of VCU while promoting an ethical culture, navigating our complex legal and regulatory environment, and providing efficient systems to detect and prevent instances of misconduct. An independent review by an outside party is slated for early FY19. These efforts ultimately combine to increase value to VCU as it strives to meet its mission of excellence and in upholding the public’s trust.

Highlights and Governance Q&A:

What is the Board of Visitors’ responsibility for an effective ethics and compliance program?

The Board should be knowledgeable about the content and operation of the ethics and compliance program and should exercise reasonable oversight with respect to implementation and effectiveness of the program along with all duties incumbent upon Board members.

Board members should, at a minimum, ask these questions centered on effectiveness:

- Is the organization’s program well-designed?
- Is the program being applied earnestly and in good faith (i.e.; is it more than a paper program)?
- Does the compliance program work?
What are the goals of the ethics and compliance program?

1. Promote a culture of integrity and accountability; specifically enhancing a culture that promotes prevention, detection and resolution of instances of misconduct; defined as non-compliance with federal and state laws, regulations, and the university’s own policies and ethical standards.

2. Provide oversight and facilitation in developing best practices supported through diligent research and evidenced-based information for education, policies, processes and investigations related to workplace misconduct.

3. Provide preventative, detective and deterrent resources to assist with risk mitigation. Reduce reputational and goodwill damage resulting from misconduct, lack of management controls, or ineffective management systems. These resources help to reduce damage and assist management in mitigating risk.

4. Promote awareness to management of compliance and ethics risks with the Board of Visitors (Audit, Integrity and Compliance Committee); the president; cabinet members; and senior leadership.

5. Provide effective reporting mechanisms for allegations of non-compliance or improper governmental activities that are free of retaliation and allow for anonymity.

How does culture impact organizational ethics and compliance?

An organizational culture that encourages ethical conduct and a commitment to compliance with not only “the letter of the law,” but also “the spirit of the law” is mission critical and significantly enhanced by engaged stakeholders. Board members and senior management taking an active role in the implementation of the ethics and compliance program set the tone that an organization’s expectations are an individual responsibility and management’s accountability. Understanding the importance and benefit of maintaining an effective program promotes that this endeavor is a journey, and not a destination, that is incumbent upon every individual participating in order for it to be successful.
How would VCU’s ethics and compliance program be viewed for effectiveness?

No new patterns or practices of systemic misconduct have been identified in FY2017, apart from the challenges all organizations of similar scope and complexity experience, which relate to communication and documentation. Plans continue to make progress to address both of these challenges. Overall, the Ethics and Compliance Program continues to operate from a position of strength in supplying reporting mechanisms to identify perceived or actual misconduct and resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified. Additionally, the network of compliance partners and commitment by Compliance Advisory Committee members continues to strengthen VCU’s capacity for ethics and compliance effectiveness.

Industry benchmarks for higher education continue to identify that, with increasing regulatory and public demands, an effective program with solid foundational elements will continue to require attention to new efforts and the agility to respond to changing demands whether from industry, regulation, or specific to the needs of VCU.

To review the Annual Report in full, please visit by clicking here.
Reported Concerns Analysis

Reported Concerns Overview

The Integrity and Compliance Office (ICO) maintains reporting mechanisms available to all university employees, including third-party affiliates. Additionally, several compliance partners are identified throughout the university as able to receive and address reports of concern.¹ The purpose of these reporting mechanisms and identification of personnel is to demonstrate VCU’s commitment to promoting a culture of integrity and compliance by facilitating an environment of open communication wherein employees are encouraged to ask for clarification of expectations and to bring forth any good faith concerns. Providing and maintaining these mechanisms assists in complying with the Federal Sentencing Guidelines for effective ethics and compliance programs and upholds the integrity of the institution’s expectations expressed in policy, procedure, and applicable laws and regulations. The ICO analyzes relevant data centrally to create this collaborative report and to assure effectiveness of internal response mechanisms. The reported concerns raised this year, and subsequently utilized for this report’s statistics, were received and addressed from the following university areas:

- Athletics
- Audit and Management Services
- Division of Human Resources (Employee Relations)
- Equity and Access Services (EEO/AA Compliance)
- Integrity and Compliance Office
- Office of the Vice President for Research and Innovation (Office of Administration and Compliance; Office of Research Integrity and Ethics)
- Office of Student Conduct and Academic Integrity (*newly included this year, separate highlights below)

The confidential reporting mechanisms include the VCU Helpline, a telephone and web-based service administered by a third-party vendor, offering optional anonymity; a locally-hosted general email account; campus and US mail; direct reporting to Integrity and Compliance Office personnel and other designated trusted advisors.

¹ Additional summaries of compliance activities for Ombuds Services, Clery Act and Violence Against Women Act Compliance, and the Office of Environmental Health and Safety are also included this year in the Areas of Focus section of this report.
Overall, the university’s compliance partners, located in central support offices, received and managed a total of 273 reported concerns in FY 2017, a decrease of 11% from FY 2016:

- Athletics - 23% decrease (11 reports in FY 2017 vs. 17 reports in FY 2016)
- Audit and Management Services - 71% decrease (7 reports in FY 2017 vs. 24 reports in FY 2016)
- Equity and Access Services - 14% increase (49 reports in FY 2017 vs. 43 reports in FY 2016)
- Division of Human Resources - 5% decrease (117 reports in FY 2017 vs. 123 reports in FY 2016)
- Integrity and Compliance Office - 11% decrease (81 reports in FY 2017 vs. 91 reports in FY 2016)
- Office of the Vice President for Research and Innovation - 11% decrease (8 reports in FY 2017 vs. 9 reports in FY 2016)

The topics listed below are the data metrics tracked and divided into subsections:

- Report Intake Method
- Reporter Type and Anonymity
- Allegation Type by General Topic
- Report Outcome
- Unique Trends

As an enhancement to this year’s report, metrics collected are presented in comparison with a university benchmark for the respective metric. The university benchmark is calculated using the average from all available data since FY 2013 through FY 2016.

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2 Unique Trends or special points of interest from specific areas are identified in footnotes throughout.
In summary, highlights from this report demonstrate that VCU employees are the most common reporter type with 76% reporting directly to the ICO or compliance partner, and thereby choosing to disclose their identity. The most reported allegation type was *Human Resources*-related reports at 61%. Thirty-two percent of reports had an outcome determination of *Unsubstantiated*, 40% of reports were *Substantiated* or *Partially Substantiated*, while the outcome of the remaining 28% could not be substantiated due to lack of information or other reasons (e.g., unrelated to employees or misconduct; pending outcome at point of data analysis).

The metrics collected and analyzed in this report will continue as a foundational building block of an effective ethics and compliance program, allowing targeted training and education for appropriate audiences throughout the university and highlighting opportunities for improvements. This report is made annually to the Board of Visitors’ Audit, Integrity, and Compliance Committee. The following pages contain detailed information and conclusions.

**NEW: ACADEMIC INTEGRITY - STUDENTS**

A growing trend in higher education is the evolution from an employee-centric approach to one which includes students. Both intentional messaging to the student population and relevant data points are also included in assessing the effectiveness for ethics and compliance programs. With this in mind, the Academic Integrity component of the Student Affairs Division is included for the first time in this report below; once a university benchmark is established, these data points will be integrated into the traditionally reported data points.

- Academic Integrity is defined by the *Honor System* policy to mean: Plagiarism; Cheating; Lying; Stealing; and Facilitation.
- The following pledge applies to every examination, paper, or academic exercise unless specifically exempted by the instructor:
  
  *On my honor, I have neither given nor received unauthorized aid on this assignment, and I pledge that I am in compliance with the VCU Honor System.*

- Neither the presence nor the absence of a signed pledge statement exempts a student from the requirements of the Honor System.
- This year 382 reports of misconduct related to academic integrity were made to the Office of Student Conduct and Academic Integrity (OSCAI) in relation to a student population of more than 31,000. This is consistent with the prior year of data.
- 22 matters were pending as of this report
- A substantiation rate of 81% is representative of the finding OSCAI deems “responsible” for the misconduct
- 19% of reports concluded in a finding of “not responsible” for misconduct
- Faculty members represented the majority of reporters at 99%
- Zero reports were anonymous and 100% were made directly to the compliance and ethics professionals in OSCAI.
Report Intake Method

Overview

The university community is provided with multiple reporting mechanisms to report concerns or make inquiries related to VCU's expectations. The VCU Helpline, available by telephone or website, is hosted by Convercent, a third-party vendor. Unlike other more traditional anonymous reporting mechanisms, the VCU Helpline has the functionality to provide feedback to the reporter or ask additional questions which may be needed in order to move forward with a concern or inquiry. This aids in setting expectations for the reporter; contributes to accountability; and often results in asking follow up questions, or providing objective source materials, such as policies, as additional information.

University employees are always encouraged to directly contact their supervisor, when appropriate; other compliance partners; or Integrity and Compliance Office staff to voice concerns. Additionally, a general ICO email address, campus mail and US post options are available.

Reports may also be referred to the ICO by other university departments and/or the Office of the State Inspector General (OSIG) Fraud, Waste and Abuse Hotline.

Below, the Report Intake Method metrics illustrate the utilization of the available reporting mechanisms.
Conclusion

Directly reporting to an ICO employee or compliance partner was the most common intake method at 76% of reports. Use of the VCU Helpline was the second most utilized method at 21% of reports.

Considering an overwhelming majority of individuals (or “reporters”) report directly to a recognized compliance partner, anonymity does not present as a major concern. Often, confidentiality is requested, but notations of fear of retaliation are rare (expressed in 7% of reports) and it is concluded that a majority of reporters likely do not fear being identified when raising concerns.

Reports made directly to compliance partners were comparable to the university benchmark, as was the number of reports to the VCU Helpline indicating consistency of intake methods used.

Overall, by providing a variety of reporting mechanisms, the university has addressed a significant number of reported concerns, and continues to communicate and monitor regularly for indications of patterns or practices of misconduct. These activities contribute to the university’s ability to:

- respond to the concerns of the university community;
- identify areas of concern;
- provide opportunities for education and awareness; and
- continue contributing to a culture of integrity and trust, thereby reducing the need for university members to report to external agencies.

These factors all contribute to VCU demonstrating and maintaining an effective ethics and compliance program.
Reporter Type and Anonymity

Overview

Reporting mechanisms are available to all university employees, including contractors and visitors. Reporters have the option of remaining anonymous or providing their name and contact information. In some cases, a reporter later reveals their identity to the ICO as the inquiry or investigation continues. The disclosure of identity is evidence of employee confidence in the ICO's commitment to confidentiality and the university's policy of non-retaliation for those who report concerns in good faith.

The Reporter Type metrics illustrate which individuals utilize available reporting mechanisms.

Conclusion

The VCU employee continues to represent the majority of reporter types. Additionally, a minority of all reporter types chose to remain anonymous, at 18%, consistent with the university benchmark of 18%. It is likely that this overall percentage demonstrates a level of comfort in raising concerns of known or suspected misconduct and is also conceptually reiterated in VCU’s 2017 Ethical Culture and Perceptions Assessment, wherein 86% of respondents stated they were comfortable reporting incidents or concerns of noncompliance directly to their supervisor.
It is also notable that, while only 7% of reports mentioned perceived retaliation or fear of retaliation overall, 20% of reports made directly to the ICO or through the Helpline did cite this concern. This is not unexpected given that the ICO hosts the only internal anonymous reporting mechanism — the VCU Helpline — and individuals concerned with retaliation are generally less likely to be comfortable identifying themselves. This conclusion is further supported by VCU’s *2017 Ethical Culture and Perceptions Assessment* which revealed that survey respondents felt most confident that they would be protected from retaliation by reporting through the VCU Helpline at 83%. Similarly, 82% of respondents also felt they would be protected from retaliation by reporting to their supervisor.

### Allegation Type

#### Overview

Report allegations are generalized into six major categories listed below. Examples of each are provided.³

- **Equity**: Discrimination or Harassment based on protected class, includes sexual
- **Human Resources**: Failure to Report All Leave Taken; Employee Misconduct; Threat or Inappropriate Supervisor Directive; Nepotism; Bullying
- **Financial**: Fraud, Waste, Abuse or Misuse of Resources; Falsification of Records; Improper Disclosure of Financial Records; Conflict of Interest - Financial
- **Research**: Scientific Misconduct including Falsification, Fabrication and/or Plagiarism
- **Athletics⁴**: NCAA Violations; Improper Giving of Gifts; Misconduct in VCU Athletics
- **Academic**: Academic Regulations; Program and Degree Requirements; Admission, Enrollment and Transfer of Students to the University
- **Risk and Safety**: Unsafe Working Conditions; Environmental and Safety Matters⁵

The *Allegation by General Topic* metric illustrates the general nature of reported concerns.

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³ 20 allegations in the Equity category and 22 allegations in the Academic category remain in process and have not yet reached final outcome status.

⁴ All 11 violations were self-reported to the NCAA as required. On average, between eight and twelve violations per year are expected by the NCAA at institutions similar in size and scope to VCU. Athletics statistics include eight NCAA violations that were discovered through routine monitoring activities.

⁵ Data collection efforts have improved and are expected to reflect accurate reporting in FY 2018
Conclusion

Overall, the two general categories of Human Resources and Equity saw the most reports, 82% of reports, with Human Resource-related concerns being the most common allegation type, comprising 61% of reports.\textsuperscript{5}

Notably, the substantiation rate for Equity-related concerns is relatively low at 14%. It is suspected that this is likely due to an increase in awareness of reporting expectations; available resources; and individuals lacking an understanding of the technical definitions, or elements, of the terms Discrimination or Harassment Based on Protected Class. Training plans to respond to this fact are already in progress by area management.

Six percent of reports contain elements of behaviors and encounters related to extremely unprofessional/uncomfortable working environment (compared to the university benchmark of 8% ). This metric has remained significantly lower than prior years and will continue to be tracked but no longer mentioned specifically in this report unless the data shows a significant deviation.
### Report Outcome

#### Overview

All reports result in classification of *Substantiated, Partially Substantiated, Unsubstantiated, Other, or Not Enough Information*.  

![Report Outcome Chart](chart.png)

#### Conclusion

Overall in FY 2017, 32% of reports were classified as *Unsubstantiated*, this rate is lower than the university benchmark of 42% *Unsubstantiated* reports, potentially due to 20% of reports that were deemed to have not enough information to proceed, a significant increase compared to the university benchmark (11%).

In considering that 32% of reports were classified as Unsubstantiated, indicating that many individuals who voice concerns related to employees are not correct in their suspicion that misconduct exists. This indication is also supported by VCU’s 2017 Ethical Culture and Perceptions Assessment, which revealed a discrepancy between the reported rate of experiencing and/or observing misconduct (15%) and those

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6 These classifications are defined fully in Appendix A.

7 At the time of data collection for this report, 31 allegations were in progress. The outcomes may alter the substantiation rates.
reporting being directly asked to bend, break or circumvent laws, regulations or policy (4%). The implication is that perceptions of misconduct may be greater than actual occurrences.

Twenty-eight percent of report outcomes are closed as Not Enough Information to Proceed or Other. “Other” as an outcome indicates an inquiry or question was raised, not an allegation of misconduct, or the report is not related to a VCU employee or affiliate.

Further details based on general allegation type are as follows:
Areas of Focus

Government Reviews

Monitoring external agency inquiry, review, and audit activities and facilitating a unified and appropriate response to external agency requests is always of continued importance. “Government Reviews” represents non-routine inquiries or inspections by state and federal agencies. This does not include accreditation activities.

This section highlights significant non-routine government reviews (investigations or inquiries) conducted; the results of the reviews; and university remediation plans to prevent recurrence of any identified issues where applicable. In the future, this report will include statistics and analysis related to external government reviews, both routine and non-routine, as improvements are made to track and collect relevant data for this purpose.

Virginia Occupational Safety and Health (VOSH)

Two inspections this year from VOSH. First, an accidental chemical spill in a lab resulted in awareness of low training completion rates for lab personnel. Safety and Risk Management - Office of Environmental Health and Safety Division will be following up with corrective action for those involved and are addressing the need for improved training compliance and implementation of a complete and centralized chemical inventory.

Second, another inspection resulted from a workplace incident involving a ladder. This investigation resulted in 7 citations (4 classified as a serious violation and 3 classified as other-than-serious violation). Of the violations, five were related to ladder size and the general area surrounding the ladder creating an unsafe environment. Two of the violations were related to delayed required incident reporting to VOSH and delayed entry of the incident into VCU’s OSHA log. Safety and Risk Management continues to work with the area on abatement and improving timely reporting.
Assessing Risk

Assessing risk is fully incorporated into the fabric of the ethics and compliance program. While a methodological process for rating and ranking compliance risks (based on likelihood and impact) remains an ongoing project for the Integrity and Compliance Office (ICO). The information shared herein comes from a 6 year observation and relationship building with operational compliance owners and the observations from the ICO and Internal Audit.

Process:

Bi-monthly meetings are held with operational owners of compliance and ethics risks through the Compliance Advisory Committee and provide a forum for communication of expectations, data assessment, group discussion and support of day to day operations. Internal Audit is included in these meetings in an effort to inform overall strategy and foci for specific audits.

This past year, reports for ethics and compliance score cards were created and are slated for delivery this Fall. The scorecards are specific to cabinet members’ areas of responsibility and are designed to provide a snapshot of gathered data points demonstrating ethics and compliance risk information. Specifically, outdated or missing policies; available culture survey notables; comparisons to universitywide benchmarks; quantity, general nature and substantiation of reported concerns; and quantity and outcomes of allegations related to unprofessional and uncivil conduct.

Risk assessment strictly limited to regulatory compliance continued its robust monitoring schedule this year. Quarterly attestations assisted in accountability for timeliness and completeness concerning regulations necessitating external reporting to the federal government. The monitoring schedule for FY17 has resulted in one deficiency, since corrected, and no significant issues outstanding. Senior leadership continues to support the need for these requirements. Additionally, for nearly all federal regulations, operational owners have been identified and have self-assessed for compliance strengths and challenges. The Board and Senior Leadership will continue to be apprised of any significant deficiencies.

The university currently has 223 federal regulations with which to comply daily and of those, 30 require timely reporting to agencies at various times throughout the year.

Substance:

Non routine government reviews this year have revealed needed improvements in the Safety and Risk Management’s Office of Environment Health and Safety related to timely reporting of incidents to the Commonwealth and centralization of laboratory inventories, this has resulted in a redistribution of labor and the funding of additional staffing to meet this need.
As mentioned elsewhere in this report, work remains in the area of systematic identification and management of conflicts (financial and of commitment); establishment of privacy policy and philosophy as well as centralization of compliance with applicable regulations; and the policy preliminary gap assessment remains ongoing.

In addition, there is room to improve in the management of international compliance activities (visitors, employees, banking, shipping, etc…); a delegations of authority program to include monitoring; and the establishment of appropriate contracts review processes depending on the nature of the contract and potential risks; and registration, education and monitoring of visiting volunteers. Specifically in the area of information governance, related risks are identified and assessed routinely by the Data and Information Management Committee (DIMC). DIMC has representation from all areas of the university’s operations and maintains decision making authority for response. Reports from the DIMC are made at least annually to the Audit, Integrity and Compliance Committee of the Board of Visitors.

Lastly, while compliance-related personnel hires have increased over the last few years, this network of professionals remains significantly lean which results in individuals often being asked, or required, to work outside of their primary duties and in some cases, expertise. Establishment and adherence to accurate job descriptions for all, and especially compliance professionals, is critical to limit risk exposure. Additionally, timely awareness to those in a position of authority to make decisions and act must improve when gaps are identified. Finally, a formalized commitment to accountability would aid in incentivizing the prioritization of compliance and ethics obligations.
Policy Program Update

The Integrity and Compliance Office (ICO) has the responsibility for maintaining a universitywide Policy Program. The goal of this program is to maintain current and comprehensive policies and procedures clearly and concisely conveying VCU’s expectations.

The Policy Program and the centralized Policy Library are in place to meet industry best practices; contribute to a culture of ethics and compliance; and to meet Southern Association of Colleges and Schools (SACS), and state and federal requirements. In accordance with SACS requirements, policies and procedures are to be in writing, approved through appropriate university processes, published and accessible to university employees, and implemented and enforced by the university.

Communication of new and revised policies to the university community is messaged to targeted audiences and to all university employees minimally through Policy Points, a quarterly policy notification tool.

Policy owners / primary authors are provided resources to assist with obtaining a centralized, version controlled document in the expected format utilizing the policy template. Specifically, policy owners are provided a policy development tool and offered one-on-one sessions for assistance and maintenance of their policies.

This year, the governing policy, Creating and Maintaining Policies and Procedures, was revised and approved through the governance process to streamline and clarify VCU’s expectations associated with transparency and shared governance related to universitywide policy initiation, approval and retirement. Of the 151 policies tracked and managed in FY2017, 38 are still being developed and 113 have completed their respective phases of review and approval resulting in the metrics seen at left, including key policies developed, significantly updated and / or approved.
While progress continues, a significant number of policies [106, or 53% of all policies] remain outdated. Management continues to balance priorities and limited resources to address this issue. It is acknowledged that retention issues, specifically redistribution of workload, contribute greatly to this issue. Additionally, it is anticipated that approximately 33 of the outdated policies are likely being consolidated into significantly fewer policies that are currently being developed.

In addition to working with universitywide policy owners to facilitate progress on new and existing policies, the ICO, with support from the Office of University Counsel, conducted preliminary gap assessment work, taking into consideration federal and state laws requirements regarding policy to determine compliance. Self-assessment surveys were distributed to those responsible offices affected by these requirements. Based on responses, the ICO continues to monitor progress toward policy development during FY 2018.

Analysis of the responses received to date indicates that most of the offices that have responded have the required policies in place. The ICO will be supporting policy development efforts for full compliance during FY 2018.

Lastly, the ICO also serves as the university’s regulatory policy liaison with the Commonwealth.
Conflict of Interests

State-required Disclosure

As required by the Commonwealth, all Board of Visitors members must complete a Financial Disclosure form and all employees, who meet the criteria defined by the Commonwealth’s Conflict of Interest and Ethics Advisory Council, must complete the Statement of Economic Interest form. This information is now collected through the Commonwealth’s online disclosure system. Paper or electronic copies of the forms, which were provided by VCU in past years, are no longer accepted. As of 2016, employees who are mandatory filers are fined a late penalty of $250 if filing occurs after the deadline and an extension is not granted by the Council.

The initial notification to complete this requirement was disseminated January 3. Notice prior to January 2, 2017 was not permitted per Virginia’s Conflict of Interest Act. All Financial Disclosure forms and Statement of Economic Interests forms for the 2016 disclosure period were due to the Commonwealth on January 17, 2017. VCU’s overall compliance rate for state-required filers was 100% by the deadline.

The ICO assisted with timely filing as the agency liaison with the Commonwealth, as well as analysis of all disclosures in order to manage or eliminate conflicts.

University-required Disclosure

Due to continued legislative changes by the state, the university chose to hold on requesting interest disclosure from a prior expanded pool of required reporters until disclosure schedules, questions, definitions and processes were finalized.

Looking Ahead

Concurrent with the efforts to achieve our mission and strategic initiatives, as stewards of public resources, VCU must maintain oversight of external relationships and the potential for conflicts of interest. In the normal course of university business, conflicts of interest will arise. Not all conflicts of interest signify an act of wrongdoing, but all conflicts must be identified, disclosed and managed, or removed, when appropriate.

VCU has three core processes for identifying, evaluating, managing and removing conflicts of interest. They include:

- The Commonwealth required interest disclosure
- VCU Position of Trust and Researcher conflict of interest reporting
- University policy governing outside professional activity and employment, research, and continuing education

Interest disclosure reporting and processes have been a continuing topic in need of enhancements, from both a Commonwealth and federal regulatory requirement perspective and a university interest in risk assessment and efficiency perspective. Endeavors initiated to date include: maintaining an electronic solution for researcher interest disclosure; performing a structured analysis of data collected by the state
and university systems; creating management plans once conflicts are identified; policy development; and educating new board members concerning interest disclosure at New Member Orientation.

These accomplishments have been collaborative in nature with many compliance partners. Updates will continue to be provided to the Audit, Integrity and Compliance Committee specific to policy creation and implementation and the university’s approach to identifying and managing interests.
Ethical Culture and Perceptions Assessment

The Integrity and Compliance Office (ICO) conducted a culture survey in March 2017 to assess the university community’s awareness of certain resources; perceptions of integrity and compliance in the workplace; and comfort level related to raising concerns. Since 2010, this survey has been conducted biennially and serves as one mechanism to identify/measure drivers of good conduct, opportunities to strengthen our workplace culture, and effectiveness of VCU’s Ethics and Compliance program.

The survey was reported to the Board of Visitors in May 2017 and to the Compliance Advisory Committee in June 2017.

Participation increased by 23% this year (compared to 2015) with a total of 3,093 employees responding.

Assessment Representation

Several key demographics of survey respondents (campus, employee type and years of service) were compared to universitywide data to determine whether the assessment results were representative of the VCU population. Based on this comparison, the data indicates that respondents were generally representative of VCU employees. Therefore, it was determined that the analysis of the survey results — as summarized below — generally reflects perceptions, awareness and attitudes at VCU.

*VCU data for Monroe Park and Medical Center campuses include off-campus employees.
**Employee Type: Survey Population vs. VCU Population**

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>Respondent Employee Type</th>
<th>VCU Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>Classified Staff</td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td>Hourly Staff</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Student Employee</td>
<td>21%</td>
<td>28%</td>
</tr>
</tbody>
</table>

**Years of Service: Survey Population vs. VCU Population**

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Respondent Years of Service</th>
<th>VCU Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 Year</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>1-3 Years</td>
<td>26.5%</td>
<td>32%</td>
</tr>
<tr>
<td>4-6 Years</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>7-10 Years</td>
<td>10.5%</td>
<td>8%</td>
</tr>
<tr>
<td>11-15 Years</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>16-20 Years</td>
<td>6%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Awareness of the Program and Resources

Measures familiarity of resources (includes university policies).

> Familiarity with resources has increased 9% with the Integrity and Compliance Office and 7% with the Policy Library. Not surprisingly, hourly staff and student employees and employees with less than three years of service were less familiar.

> Supervisors indicated an increased familiarity with resources available to assist them with encouraging ethical conduct and accountability (and addressing concerns) than in past years. Specifically, there was a 22% jump in the maximum rating of “7-very familiar” for these questions. Familiarity was noticeably lower with supervisors located on the Qatar Campus.

These results are most likely attributable to increased education as a part of the ICO’s awareness initiatives, which included training presentations, compliance week activities, informational tables at VCU sponsored events, nurturing business relationships, remaining accessible and credible, and joining several collaborative committees and workgroups. Considering these activities primarily occur on the Monroe Park and medical campus in Richmond, lower familiarity rates in Qatar are expected.

Perceptions of Employees and Environment

Measures perceptions of ethical conduct and trust related to employee-supervisor relationship.

New questions this cycle: My supervisor trusts me to do my job well and with integrity; I trust my supervisor to support me in my role and follow through on promises/commitments.

> A 5% difference exists between perception of "employees" and "employees in a leadership position" demonstrating integrity and ethical behavior in performance of duties, 88% and 83% respectively (the 83% is a 4% increase over last cycle). Notably, employees on the Qatar campus rated agreement with these statements lower for both employees and employees in a leadership position.

> A 7% difference exists between respondents stating their supervisors trust them and those same individuals then stating they have trust in their supervisors to have support in them and uphold commitments, 95% and 88% respectively; despite the difference in response, this is an indication of ethically healthy relationships. There were no material differences in responses based on employee type, years of service or campus.
Observing and Reporting Misconduct

Measures comfort level, observations and reasons for not reporting.

Responsive questions addressed whether reporting was conducted and subsequently why respondents reported or declined to report.

**New questions this cycle:** The follow-up question, “describe the misconduct that you observed,” was presented if a respondent indicated observing or experiencing misconduct. Responsive questions addressed whether a report was made and subsequently why a respondent declined to report.

> Comfort level with reporting concerns is at all time high since assessment began in 2010, reflected by 86% of respondents expressing agreement with being comfortable reporting to their supervisor. Employees on the Qatar campus responded with lower levels of agreement with this statement, further indicating the need to conduct targeted ethics and compliance education at this location.

> The perception that protection from retaliation exists as a VCU value continues to be rated favorably and show improvement over prior years. Specifically, protection is perceived by reporting through the VCU Helpline at 83%, followed by reporting direct to a supervisor at 82% and reporting to a central office at 79%. Employees on the Qatar campus were less likely to agree that they would be protected from retaliation if reporting to their supervisor or central office; however, agreement level for reporting through the VCU Helpline was similar to core campus respondents.

Organizational Justice

Measures feelings toward issue response and resolutions and perceptions of retaliation.

**New questions this cycle** focused on reflexive questions once a respondent indicated reporting concerns and included perceived retaliation for speaking up and a description of the retaliation experienced.

> While still representative of a minor population of survey respondents, new themes revealed this cycle are:

  - Inadequate addressing or follow-up to reported concerns
  - Supervisors inconsistently following policy or ignoring policy when inconvenient
  - Concerns related to reporting time/leave incorrectly

> Understandably, feelings of uncertainty and unsatisfactory handling of reported concerns are likely attributable to the fact that communication must often be limited when the resolution is related to personnel actions. Additionally, little or no follow-up is also a contributor, which illustrates an opportunity for additional education on appropriate response to employees by management when concerns are reported.
Hourly employees were more likely to experience perceived retaliation for speaking up, as were employees on the Monroe Park campus and Faculty. It is notable, however, that faculty were less certain that retaliation occurred with a quarter of respondents selecting “I’m not sure, but I think so.”

Training and Education

This section provides updates to universitywide training and education efforts and does not yet include information related to specialty training requirements based on role or position such as research activity related, OSHA related, or operating internal systems, nor does it include the efforts of in person trainings conducted for Title IX or Information Security. Currently, a universitywide Learning Management System implementation is ongoing and will enable enhanced future reporting.

Annual Required Integrity & Compliance Education:

In support of fostering and promoting an ethical and compliant environment, the Ethics and Compliance Program strives to positively influence and impact employee behavior. One of the ways this is accomplished is through annual ethics and compliance training, required of all employees. The purpose of this annual online course is to remind and inform employees of the university’s expectations.

This year was the fourth cycle of this education initiative and the following topics were included. Dr. Based on the current risk environment, there was additional focus on available resources; privacy and network use; addressing concerns; and non-retaliation:

- Ethical Behavior
- Voicing Concerns & Non-retaliation
- Addressing Concerns (for supervisors only)
- Civility and Respect
- Diversity, Accessibility & Equal Opportunity
- Sexual Misconduct & Gender Equity
- Workplace Health, Safety and Security
- Interest Disclosure and Conflict of Interests
- Research Integrity
- Managing & Safeguarding Records/Information
- Computer and Network Use & Privacy
- External Communications & Our Brand

The Integrity and Compliance Office announced the 2016 Integrity and Compliance Education course during National Compliance and Ethics Week on November 9, 2016.
The overall completion rate improved significantly (from 67% last year to 89% for 2016), spurred by significant increases in all employee types. The employee-types with the most improvement were adjunct faculty (+57%), Qatar faculty (+44%) and hourly/other (+35%). Law Enforcement remained at 100%, while other groups improved as well: professional faculty (+4%), administration faculty (+5%), teaching and research faculty (+12%), student employees (+15%), classified (+9%) and clinic/MD faculty (+21%).

**2016 Integrity and Compliance Education**

**Completion Rates by Employee Type**

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>2016 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Faculty</td>
<td>97%</td>
</tr>
<tr>
<td>Admin Faculty</td>
<td>94%</td>
</tr>
<tr>
<td>Clinic/MD Faculty</td>
<td>79%</td>
</tr>
<tr>
<td>T &amp; R Faculty</td>
<td>88%</td>
</tr>
<tr>
<td>Adjunct Faculty</td>
<td>88%</td>
</tr>
<tr>
<td>Qatar Faculty</td>
<td>89%</td>
</tr>
<tr>
<td>Law Enforcement</td>
<td>100%</td>
</tr>
<tr>
<td>Classified</td>
<td>97%</td>
</tr>
<tr>
<td>Hourly and Other</td>
<td>79%</td>
</tr>
<tr>
<td>Student Employees</td>
<td>78%</td>
</tr>
</tbody>
</table>

**89% of Total Faculty**
1. 89% Full Time Faculty
2. 87% Part Time & Adjunct Faculty

**92% of Total Staff**
3. 97% Full Time Staff
4. 79% Part Time & Hourly Staff

**89% Overall**

**92% Core Faculty & Staff**
(not including P/T Faculty or Staff or Student Employees)
Acknowledgments

Finally, a word of acknowledgement is appropriate for several individuals whose collaborative and collegial, “do the right thing attitude and approach” cannot go unmentioned, for without these individuals and their teams there would be no Annual Report. Thank you and greatest appreciation to:

Jonathan Palumbo and Noah Strebler, Athletics Department
Craig Anderson, Audit and Management Services - Audit and Compliance Services
Laura Rugless and Sara Roan, Equity and Access Services—Office of the President
Amy Unger and Tim Davey, Faculty Recruitment and Retention—Office of the Provost
Ishneila Moore, H. Greg Council and Brenda Alexander, Department of Human Resources—VP of Administration
Jaycee Dempsey, Ashley Green, and Anthony Rapchick, Integrity and Compliance Office—Audit and Compliance Services
William King, University Ombudsperson—Office of the Provost
Tom Briggs and Mary Beth Taormina, Safety and Risk Management—VP of Administration
Justin Moses, Karen Belanger and Megan Rapchick, Division of Student Affairs—Office of the Provost
Susan Robb and Monika Markowitz, Office of Vice President for Research and Innovation

In addition to the compliance partners listed above, the daily efforts of all compliance partners and members of the Compliance Advisory Committee are to be recognized, for without this interdisciplinary and collaborative network of peers, VCU would not benefit near as greatly as it does from having this communicative group of dedicated and trusted advisors.

Audit and Compliance Services: Bill Cole; David Litton
Controller’s Office: Tricia Perkins; Angela Davis
Office of University Counsel: Liz Brooks; Jake Belue; Sara Johns
Equity and Access Services: Brittany Gardner; Paula McMahon
Facilities Management: Richard Sliwoski
Faculty Senate Representative: Robert Andrews
Financial Aid Office: Marc Vernon; Melissa McKea
Global Education Office: Paul Babitts
Grants and Contracts Office: Mark Roberts
Office of the Vice President for Health Sciences: Kevin Harris; Cindy Cull
Integrity and Compliance Office: Jacqueline Kniska
School of Medicine: Tricia Gibson
Parking and Transportation: Clayton Harrington
VCU Police Department: Chief John Venuti, Rebecca Westfall
Office of the President: Paula Gentius
Procurement Services: Brenda Mowen
Office of the Provost: Linda Birtley; Heidi Jack; Kathleen Shaw
Office of the Provost - Strategic Enrollment Management: Bernard Hamm; Anjour Harris
Safety and Risk Management: David Mattox
Technology Services: Alex Henson, Dan Han
Treasury Services: Timothy Graf
University Relations: Kasey Odom; Mike Porter
Appendix A

Definitions for Report Outcome Classification

A report is classified as **Substantiated** when, after inquiry or investigation, violations of expectations, policy, regulation, or law are found. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Partially Substantiated** when, after inquiry or investigation, a violation of expectations, policy, regulation, or law is found but other allegations—or elements of an allegation—contained in the report were unsubstantiated. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Unsubstantiated** when, after inquiry or investigation, no violations of expectations, policy, regulation, or law exist.

Reports that contain general questions rather than concerns or specific allegations; are not related to current VCU employees or during employment with VCU; or include allegations later withdrawn by the reporter and ICO determines that no further investigation is necessary are classified as **Other**.

Reports that contain insufficient information to proceed with additional inquiry or investigation are classified as **Not Enough Information**.

Appendix B

Ethics and Compliance Program Key Elements of Regulation and Industry Best Practice Chart

The federal government, when funding programs, requires that an organization have an “effective compliance program” in place. Through guidance and regulations, national and international organizations are defining the key elements or benchmarks required to demonstrate that a compliance program is effective. The following six organizations and reports provide key ethics and compliance program benchmarks:
<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Originating Agency/Report*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Written Standards of Conduct (Including policies &amp; procedures)</td>
<td>FSG, OIG/HHS, MOJ/UK Bribery Act, DOJ/SEC</td>
</tr>
<tr>
<td>2  Designation of Chief Compliance Officer</td>
<td>FSG, OIG/HHS, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>3  Education &amp; Training</td>
<td>FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>4  Whistleblower Hotline &amp; Whistleblower Protections</td>
<td>FSG, OIG/HHS, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>5  Response &amp; Enforcement</td>
<td>FSG, OIG/HHS, OECD</td>
</tr>
<tr>
<td>6  Auditing &amp; Monitoring</td>
<td>FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>7  Investigation/Remediation of Systemic Problems &amp; Screening of</td>
<td>FSG, OIG/HHS</td>
</tr>
<tr>
<td>Sanctioned Individuals</td>
<td></td>
</tr>
<tr>
<td>8  Defining Roles/Responsibilities &amp; Assigning Oversight Responsibility</td>
<td>FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>9  Due Diligence to Prevent &amp; Detect Third Party Criminal Conduct</td>
<td>FSG, OIG/HHS, MOJ/UK Bribery Act, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>10 Periodic Evaluation of Compliance Program Effectiveness</td>
<td>FSG, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>11 Promote Compliance Program throughout Organization through Incentives</td>
<td>FSG, OECD, LRN 2014, DOJ/SEC</td>
</tr>
<tr>
<td>12 Periodic Assessment of Risk of Criminal Conduct</td>
<td>FSG, MOJ/UK Bribery Act</td>
</tr>
<tr>
<td>13 Policy Prohibiting Foreign Bribery</td>
<td>OECD</td>
</tr>
<tr>
<td>14 Compliance is Duty of Employees at All Levels of Organization</td>
<td>OECD</td>
</tr>
<tr>
<td>15 Risk-based Due Diligence in Hiring and Oversight of Business Partners</td>
<td>OECD</td>
</tr>
<tr>
<td>16 Measures to Ensure Effective Control Over Areas such as Gifts, Travel</td>
<td>OECD</td>
</tr>
<tr>
<td>17 Adequate Budget: $99,763 per 1,000 employees</td>
<td>LRN 2014, DOJ/SEC</td>
</tr>
</tbody>
</table>

*Sources:
- OIG: Office of Inspector General/Health & Human Services: Guidelines for Effective Compliance Programs
- MOJ/UK Bribery Act: Ministry of Justice – United Kingdom: Bribery Act of 2010
- LRN 2014: The 2014 Ethics & Compliance Program Effectiveness Report
- DOJ/SEC: Department of Justice/Securities & Exchange Commission, 2012: Hallmarks of an Effective Compliance Program (specifically aimed at FCPA enforcement)

**A special acknowledgement of appreciation to the University of California, the original creator, for the permission to use this chart.
Appendix C
Demonstrations of Effectiveness for VCU’s Ethics and Compliance Program – selected sample

Oversight [USSG §8B2.1(b)(2)]
- Direct reporting relationship to the Board of Visitors’ Audit, Integrity and Compliance Committee
- President, Cabinet and Senior Management
- Centralized University Integrity and Compliance Office gathers and reports information necessary to demonstrate an effective ethics and compliance program

Standards and Procedures [USSG §8B2.1(b)(1)]
- Comprehensive Code of Conduct focusing on clear expectations supportive of a civil, professional, and ethical teaching, working, and learning environment
- Policy Program
  - Centralized Policy Library - www.policy.vcu.edu
  - Dedicated resources for policy assessment and development
  - Policy updates communicated by policy owners and in various newsletters (HR, Research, ICO); quarterly Policy Points Communication Notification

Education and Training [USSG §8B2.1(b)(4)]
- The Compass e-Newsletter
- Educational and Training Resources page - web-based resources for employee development
- Point of hire ethics and compliance education for classified staff at New Employee Orientation - Human Resources and at New Faculty Orientation
- Annual training for department Chairs - Office of the Provost
- Welcome letter to new faculty at Orientation - Office of the Provost
- Mandatory employee education:
  - Integrity and Compliance Education module
  - Title IX Education
  - Information Security Educaiton
- VCU Sponsored Projects Administration Certification Program
- Job duties and professional development trainings available through training.vcu.edu - enhanced by Learning and Development Advisory Council

Monitoring [USSG §8B2.1(b)(5)(a)]
- Compliance Advisory Committee - ethics-based leadership; tracking compliance issues; discussing gaps or needs for improvement; and government reviews
- Compliance Responsibility Matrix
- Compliance Calendar populated with and attested to by responsible parties
- Federal Regulatory Responsibility Grid populated with operationally responsible parties
- Conflicts of Interest - reporting, disclosure analysis, and management plans
- Research - Office of Sponsored Programs and Grants and Contracts
- Athletics Department - NCAA Compliance Efforts - Eligibility and Self Reporting Violations
- University Audit and Management Services – routine audits and special projects as necessary
- Enterprise Risk Management
- Export Controls
**Reporting [USSG §8B2.1(b)(5)(c)]**
- Annual Report to the Board of Visitors’ Audit, Integrity and Compliance Committee
- Central Offices – Human Resources; Office of Research Integrity and Ethics; Integrity and Compliance Office; Office of the Ombudsman
- Compliance Partners - identified trusted advisors
- Duty to Report Policy
- Prohibition of retaliation for reporting concerns
- VCU Helpline

**Enforcement and Discipline [USSG §8B2.1(b)(6)]**
- Partnerships for consistent application
- President and Senior Management
- Human Resources
- Office of the Provost, Office of Recruitment and Retention - Faculty Affairs
- Office of University Counsel

**Response and Prevention [USSG §8B2.1(b)(7)]**
- All reported issues shared with management to prevent recurrence
- Development of area-based scorecards for reported concerns
- Workplace Investigation Reports to Senior Leadership for mitigations and prevention of recurrence
- Incentivize ethical behavior with Employee Recognition Awards - Human Resources

**Assessing Risk [USSG §8B2.1(c)]**
- University Compliance Risk Assessment - Regulatory Reporting Calendar and Regulatory Grid populated with responsible parties
- Enterprise Risk Management Program
- Internal Audit Annual Workplan Risk Assessment
- Information Technology Audit Annual Workplan and Risk Assessment
- Agency Risk Management and Internal Control Standards - state requirement
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Introduction and the Year-in-Review

Welcome to the Annual Report of VCU’s Integrity and Compliance Efforts for fiscal year (FY) 2018. Since the creation of this report in 2012, the goal has been to enhance content each year; building on a solid foundation for an ethics and compliance program. The program is modeled and supported by various regulatory drivers, industry best practices, and, at its core, rooted in the minimal requirements of the Federal Sentencing Guidelines (FSG). Benefitting from the work of a well-established and trusted compliance partner network along with Presidential and Board level support. Highlights herein showcase universitywide integrity and compliance activities and outcomes geared toward maintaining a community prepared to identify, report and appropriately address misconduct when it does arise.

The purpose of this report is two-fold.

- To support the Board in fulfilling its obligation as the university’s governing authority by providing the information needed on aspects of the university’s integrity and compliance activities. This charge comes from widely accepted governance practices and more directly from the Federal Sentencing Guidelines and is addressed with the following language, “[The] Governing authority shall be knowledgeable of and exercise reasonable oversight with respect to the implementation and effectiveness of the ethics and compliance program”.

- To assist with awareness and transparency throughout the university related to ethics and compliance matters. By this report collecting and analyzing the prior year’s activities and outcomes, management is provided with relevant and timely information that assist with defining and measuring our culture.

These activities and outcomes are reported on because it is important to transparently share the information established from collected data. This report serves as a supplement to the established quarterly Board reporting occurring throughout the year. This permits and thereby promotes more discussion time during Board meetings – as is also expected by the FSG:

The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the ethics and compliance program, to the individuals referred to in a subparagraph (B) [the governing authority] by conducting effective training programs and otherwise disseminating information appropriate to such individuals’ respective roles and responsibilities.

Current Landscape and Industry Trends

Maintaining an effective ethics and compliance program in an ever changing regulatory landscape, shifting societal norms, multigenerational workplaces, and the multifaceted social media driven environment, while facing competing interests with finite resources, challenges every organization. Program implementation requires:
• on demand information
• strategically placed incremental training reminders
• continual and ongoing risk assessment
• interdisciplinary and enterprise-wide collaborations
• transparent and timely communications with key stakeholders
• risk-based decision making

Supporting an approach based in regulatory and industry best practice, permitting dedicated expert resources to systematically translate obligations and expectations into appropriate actions that drive positive outcomes, requires sustained commitment to integrity and accountability at the highest levels.

VCU continues to focus on doing not only what is legally required, but also on doing the right thing. This value guides the ethics and compliance program and supports all compliance partners throughout VCU. Our partners are dedicated to continuing their ethics and compliance education and monitoring activities, ensuring that the highest standards are met, and constantly working to assess and mitigate risks.

Given VCU’s scope of activities, ethics and compliance pressures on VCU remain great and in need of additional formalization and standardization in and among units. The supporting tone at the top is one of the ethical advantages benefiting VCU.

**Education and Training Outcomes**

A marked increase in training offerings is likely to have had a positive effect on VCU’s already existing Speak-Up-Listen-Up culture. This year’s data support the following statements:

• more training offered
• more individuals completed and comprehended training content
• reported concerns were reported at an all-time high volume and more often than not, reported to the appropriate office with expertise, or was quickly rerouted to the appropriate office
• the substantiation rate is at an all-time high at 66% for substantiated and partially substantiated outcomes
• anonymity remained consistent

This may mean that the training taken was effective in bringing clarity to situations identifiable as not meeting VCU expectations and an accuracy in issues spotting as demonstrated by the all-time high substantiation rate. These outcomes may also indicate increased trust established as demonstrated best by speaking up without anonymity.
Specifically, the annual employee education requirement is the single most comprehensive, proactive, and also risk responsive endeavor from the Ethics and Compliance Program. Content reminds individuals of:

- core values
- ethical decision-making
- university expectations
- reinforcement of selected topics
- policies based on institutional risk
- resources to achieve clarity
- a zero tolerance commitment to retaliation

### UNIVERSITYWIDE MANDATORY TRAINING

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,684</td>
<td>Integrity and Compliance</td>
</tr>
<tr>
<td>7,736</td>
<td>Information Security</td>
</tr>
<tr>
<td>8,340</td>
<td>Title IX - EE</td>
</tr>
<tr>
<td>15,606</td>
<td>Title IX - Student</td>
</tr>
</tbody>
</table>

Completion rates remain consistent compared to prior year, at 89% overall and 95% completion rate for core faculty and staff. Mandatory training covering a single topic permits focus and a deeper understanding of specific expectations for conduct. These requirements have shown improvements year over year.

Additionally, the chart below shows the increased training efforts for specialty topics deployed to various individuals on role and the number of individuals who completed these trainings:

### SELECTED SPECIALIZED TRAINING

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>853</td>
<td>Principle Investigator Responsibility</td>
</tr>
<tr>
<td>666</td>
<td>Line Personnel Safety</td>
</tr>
<tr>
<td>384</td>
<td>Appropriate Workplace Interactions + Sexual Harassment &amp; Violence Prevention</td>
</tr>
<tr>
<td>250</td>
<td>FOSA Obligations</td>
</tr>
<tr>
<td>195</td>
<td>Expert Witness/FOIA</td>
</tr>
<tr>
<td>174</td>
<td>Records Management</td>
</tr>
<tr>
<td>150</td>
<td>APPOA</td>
</tr>
</tbody>
</table>
Reported Concerns Analytics and Benchmarks

Overall, the number of reports to, and utilization of, all trusted advisors continues to steadily increase. The university’s ethics and compliance partners received and managed a total of 365 reports representing 322 unique concerns; an increase of 34% over FY 2017. Time to reach final outcome continues to be a challenge for multiple areas. At the close of the fiscal year, a record number of reported concerns remained open. Accounting for the increase in volume, the increase in pending matters is disproportionately high and will receive more frequent monitoring and root cause analysis to understand this significant change.

Breakdown of Reports to All Trusted Advisors Based on Independence

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports to Independent Option – ICO</td>
<td>88</td>
<td>91</td>
<td>81</td>
<td>62</td>
</tr>
<tr>
<td>Reports to Independent Option – Internal Audit</td>
<td>14</td>
<td>24</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Reports to Management Option – Compliance Partners</td>
<td>197</td>
<td>192</td>
<td>185</td>
<td>292</td>
</tr>
<tr>
<td>Total Reports</td>
<td>299</td>
<td>307</td>
<td>273</td>
<td>365</td>
</tr>
<tr>
<td>% Reported to Audit and Compliance Services – independent Option</td>
<td>34%</td>
<td>37%</td>
<td>32%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Reported Concerns

- **365** Total number reported concerns
- **34%** Universitywide from FY 2017
- **68%** Reports to Human Resources
- **24%** Reports to Integrity and Compliance

Number of Reported Concerns by Fiscal Year

- **13%** Reporter Anonymity
- **87%** Anonymous

Overall Substantiation Rate

- **54%** Unsubstantiated
- **12%** Substantiated
- **6%** Partially Substantiated
- **11%** Not Enough Information
- **11%** Other

- **17%** Outcome

- **83%** Not Outcome
A notable increase in Human Resources reports is likely due, in part, to enhancements in data tracking, including utilization of a universitywide issues and events management e-solution. The decrease in reports to the Integrity and Compliance Office may be attributed to both employee willingness to report concerns as an identified individual to central offices and satisfaction with responses to concerns when reported to direct supervisors or other central offices. Prior to the implementation of the universitywide issues and events management e-solution, unique reports data were available only from the ICO. The increase in the difference between total reports and unique reports may be due to more robust data collection abilities from additional offices.

![Report Outcome](chart)

The substantiation rate is at an all-time high of 66%. This rate is also significantly higher than a 2018 report on national benchmarks from an industry leading vendor and the previously established VCU benchmark. Higher substantiation rates may indicate employees are well informed about university expectations and are empowered to speak up when those expectations are not being met. It additionally points to effective investigative procedures.¹

¹ Penman, Carrie; 2018 Ethics and Compliance Hotline and Incident Management Benchmark Report Navex Global
As consistent with VCU’s prior data and national trends, allegations classified as Human Resource-related topics remain steady and represent the largest volume of these reported concerns at 68%, with a 72% substantiation rate.

Benchmarking Note: Metrics collected are presented in comparison with a university benchmark for the respective metric. The university benchmark is calculated using the average from all available data from FY 2014 through FY 2017. As an enhancement to this year’s report, metrics are additionally compared to Ethics and Compliance Industry benchmarks collected and analyzed by Navex Global in the 2018 Ethics and Compliance Hotline and Incident Management Benchmark Report.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2018 Navex Global Survey</th>
<th>VCU Internal Benchmark</th>
<th>FY 2018 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases per 100 employees</td>
<td>1.4 (Median)</td>
<td>2.53</td>
<td>3.14</td>
</tr>
<tr>
<td>Anonymous Reports</td>
<td>56%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Direct Contact Reports vs Helpline Reports</td>
<td>39%</td>
<td>76%</td>
<td>81%</td>
</tr>
<tr>
<td>Substantiation Rate</td>
<td>44%</td>
<td>40%</td>
<td>66%</td>
</tr>
<tr>
<td>Most Common Allegation Type</td>
<td>Human Resources – 72%</td>
<td>Human Resources – 54%</td>
<td>Human Resources – 68%</td>
</tr>
<tr>
<td>Concerns of Retaliation</td>
<td>0.66%</td>
<td>7%</td>
<td>2%</td>
</tr>
</tbody>
</table>

The university exceeded industry benchmarking for per capita reports of concern, demonstrating a university environment that supports a speak-up culture and providing increased visibility of issues and events in order to identify patterns and practices of unethical conduct. This is additionally supported by VCU’s 2017 Ethical Culture and Perceptions Assessment, wherein 86% of respondents stated they were comfortable reporting incidents or concerns of noncompliance directly to their supervisor.
Ongoing Risk Assessment Update

ERM

The Enterprise Risk Management process continues to address the top enterprise risks with executive leadership. Specifically, the steering committee has determined the top risk in the compliance category to be Institutional Compliance and Ethics Expertise and Structure. This is the risk that institutional expertise for specific compliance and ethics areas may not exist, or exists but resides exclusively in localized areas (e.g.: specific schools or departments) and may not be known, or utilized, as an available institutional resource when needed. Risk that support for commitment to compliance and ethics initiatives and implementation may not exist. In summary, there is needed expertise and proper placement within university structure and defined scope of compliance roles for employees. This risk potentially affects other strategic plan themes. Existing mitigations have been assessed and have resulted in higher impact and likelihood ratings and that a negative event could occur with an anticipated 6 month advance notice to almost immediate onset notification. Calibration of these factors against the entire risk universe remains ongoing. The risk owner is the Executive Director Audit and Compliance Services) and the process owner is the University Chief Integrity and Compliance Officer.

Regulatory Reporting Monitoring

Federal Regulatory Responsibility by Topic

Required reporting of data to various federal agencies was automated using a no cost solution and timely completed by compliance partners without error on a quarterly basis. Full compliance was maintained without issue. Additionally, bi-monthly meetings are held with operational owners of ethics and compliance risks through the Compliance Advisory Committee and provide a forum for communication of expectations, data assessment, group discussion and support of day-to-day operations. Internal Audit is included in these meetings in an effort to inform overall strategy and foci for specific audits.
Non-Routine Government Reviews

Monitoring external state or federal agency inquiry, review, investigation, or audit activities and facilitating a unified and appropriate response to external agency requests is always of continued importance. This does not include accreditation activities.

Selected highlights from significant government reviews conducted; the results of the reviews; and university remediation plans to prevent recurrence of any identified issues where applicable. There were no significant non-routine reviews this cycle.

Universitywide Policies

In previous years, over half of existing universitywide policies were outdated and a majority of the policies were significantly outdated, defined as 5-7 years or more since last review or revision.

![Percentage of Policies Out of Date](chart)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>70%</td>
<td>60%</td>
<td>50%</td>
<td>40%</td>
</tr>
</tbody>
</table>

![Administrative Policies](chart)

<table>
<thead>
<tr>
<th>Category</th>
<th>Current</th>
<th>Past Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>38 [28%]</td>
<td>99 [72%]</td>
</tr>
<tr>
<td>Board of Visitors</td>
<td>23 [44%]</td>
<td>18 [56%]</td>
</tr>
</tbody>
</table>

![Policy Management](chart)

- **178** total policies
- **16,822** total visits
- **48** Governance Phase Completed
- **30** Still in Development
- **21** New or substantively revised
- **27** Consolidated, retired, or removed
Marked improvements have occurred in reviewing policies for accuracy and feasibility; streamlining content to reduce quantity and improve quality of existing policies; and in completing VCU’s inaugural policy gap assessment.

The policy program continued its gap assessment work, taking into consideration federal and state law requirements. Based on response analysis, gaps exist. The majority of the gaps indicate that while departments may have policies in place related to the requirements, they need to be enhanced to meet all elements of the statute.

### Privacy

VCU remains in need of prioritizing risk mitigations associated with privacy. The nature of our activities and our interdependent relationship with VCU Health System further adds to the complexity of privacy in our environment and the many layers within. Extensive fact finding and assessment, in collaboration with the health system and respective legal offices, have taken place over the last two years in an effort to accurately identify affected activities; bring clarity to responsibilities and authority; and assess the capacity for both VCU and the health system. Without establishing clarity and authority, topics related to privacy (e.g.; training; breach assessment, reporting to affected individuals and regulatory bodies; risk-based capacity reviews prior to signing Business Associate Agreements and authority to sign BAAs) may go unaddressed or addressed by individuals without expertise who may or may not have authority for decision making. This approach, one of operating in silos and at times without clear expectations, often results in an unaware leadership; increased inconsistencies; and implementation programs not sufficiently accounting for privacy related matters throughout the university.
Individual and Institutional Conflict of Interest and Commitment

Preliminary preparations have progressed toward initial creation of a Conflict of Interest Committee. A software solution to document, review, identify, manage or clear potential conflicts has been purchased; a policy drafted with partner collaborations; an invitation and other governance documents drafted for committee purpose and membership; and creation of initial question set have all been accomplished this year. This will continue to be a complex and dynamic program with at least annual updates provided to Cabinet and to the Board.

Information Security

The Office of Information Security with Technology Services remained busy after attaining an all-time high of 89% completion rate for annual training through the new learning management system. Additionally, FY18 Security Incident Response statistics are below:

Effectiveness Statement

Apart from the challenges organizations of similar scope and complexity experience, (generally relating to communication, documentation and accountability) no newly discovered patterns or practices of systemic misconduct have been identified this fiscal year. However, further progress of ethics and compliance initiatives continues to be impacted by the lean nature of administrative staffing and turnover often resulting in challenges related to learning curves of new employees; loss of employees with significant institutional knowledge; duration and effort to fill vacancies; or the workload added to remaining employees when vacancies occur.
Overall, the Ethics and Compliance Program continues to operate from a position of strength in:

- supporting creation and maintenance of clear expectations;
- supplying reporting mechanisms to identify perceived or actual misconduct;
- ensuring resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified; and
- reporting to the governing authority on matters of progress and of concern.

Additionally, the network of trusted advisors, known as compliance partners, and the continued commitment by Compliance Advisory Committee members adds to the strength of VCU’s capacity for ethics and compliance program effectiveness. The role of management to enforce expectations and set the tone at the top of integrity in all operations remains critical. These efforts ultimately combine to increase value to VCU as it strives to meet its mission of excellence and in upholding the public’s trust. Industry benchmarks continue to identify that changes bring pressures and an increase in pressures require deliberate diligence in supplying messaging around values. With increasing pressures (e.g.: regulatory and public demands), an effective program with solid foundational elements will continue to require deliberate design, formal structure and the time and the agility to respond to changing demands whether from industry, regulation, or specific to the needs of VCU.
Student and Employee Selected Ethics and Compliance Areas

A growing trend in higher education is the evolution from an employee-centric approach to one in which includes students. Both intentional messaging to the student population and relevant data points are also included in assessing the effectiveness for ethics and compliance programs. With this in mind, notable statistics from the Office for Student Conduct and Academic Integrity (OSCAI) within the Division of Student Affairs and the Health Science’s Division for Academic Success (comprised of Student Academic Support Services and Disability Support Services) are included below; once a university benchmark is established, these data points will be integrated into the traditionally reported data points and benchmarked as part of standardization of ethics and compliance efforts.

Additionally, selected areas with marked increase in demand and accomplishment are included

Student Conduct and Academic Integrity

The increase in reported academic integrity violations may be attributable to the increase in the number of training presentations delivered to faculty and students from 41 in the prior year to 68 presentations in the current year. Increased awareness and understanding typically leads to greater utilization of the process.

A substantiation rate of 72% represents the OSCAI finding of “responsible” for the misconduct. This is a decrease from 81% in the prior year.

Student Accessibility and Accommodations

The Student Accessibility and Educational Opportunity (SAEO) Office on the Monroe Park Campus and the Division for Academic Success (DAS) on the Health Sciences Campus work together to provide equal access to the university’s educational programming and activities to students with disabilities. SAEO is a resource for the Monroe Park Campus for individuals with disabilities requesting reasonable accommodations to receive services and obtain the protection of Section 504 of the Americans with
Disabilities Act. DAS also provides disability support services and academic support services to students on the Health Sciences Campus.

For Monroe Park Campus students, SAEO facilitated 94 housing accommodation requests – 59 of which were approved. Forty-eight of the housing accommodation requests were related to emotional support animals and 31 were ultimately approved. Additional services provided include:

- assistive technology consultations, licenses and hardware
- textbooks and tests provided in alternative/digital or enlarged formats
- 350 sets of notes uploaded to the new Note Taking Database in Spring 2018

On the Health Sciences Campus, DAS proctored 1,707 exams, a 41% increase from FY 2017. Overall, DAS had 7,452 student contacts in FY 2018, a 9% decrease from FY 2017.

Following national trends of advocacy groups filing hundreds of thousands of complaints to The Office of Civil Rights. VCU received a complaint related to web accessibility which resulted in a major university-wide effort to address the concerns raised. SAEO was represented on the Web Accessibility Remediation Project Team facilitating web accessibility improvement across the university. Ultimately, OCR dismissed the complaint given changing priorities of the current administration; however, the university continues to address issues of web accessibility as the right thing to do regardless of changing priorities.
Equity and Access Services

EAS completed the governance process for revised discrimination and accessibility policies; oversaw the development of 26 Affirmative Action Plans; responded to 46 requests for employee accommodations under the ADA; addressed, by responding to or investigating, reported policy violations of the Sexual Misconduct/Violence and Sex/Gender Discrimination policy, the Preventing and Responding to Discrimination policy and the Accessibility and Reasonable Accommodation for Individuals with Disabilities policy. VCU’s inaugural Accessibility Compliance Workgroup, a centralized, collaborative effort to facilitate the goals of physical and programmatic access and equal opportunity in university employment, educational programs, sponsored activities, and events was also established. The inaugural biennial report for Title IX related information has also been produced separate from this report and is available here.

Virginia’s Freedom of Information Act (FOIA)

The Code of Virginia §2.2-3704.2 (effective July 1, 2016), requires all state public bodies to designate a FOIA Officer “whose responsibility is to serve as a point of contact for members of the public in requesting public records and to coordinate the public body’s compliance with the provisions” of FOIA. While VCU had so designated individual(s) for this role before this legislation passed, VCU’s first full-time FOIA Officer to ensure compliance was hired April 2017. Within weeks of hire, the FOIA Notice Resource Page was linked to the VCU Homepage, as required. This linkage, accompanied by an increase in live training sessions with the FOIA Officer resulted in a total of 900 visits to the website, a 20% increase from the prior year. FOIA content is also reiterated in the Annual Employee Integrity and Compliance Education Module.

FY18 requests covered a wide range of topics. In addition to the typical requests for copies of procurement contracts and athletic department staff contracts, major topics in FOIA this past fiscal year included: student contact information, animal research, sexual assault data and student conduct data. Litigation related FOIA requests centered on employee related claims.

Trends in the use of the Act: (1) attorneys gathering information quickly and at less cost to evaluate potential claims; (2) activists, particularly those opposed to the use of animals in research or those opposed to the growth (physical footprint) of the university; and (3) students seeking records related to an adverse decision or an administrative process they have experienced (e.g., dismissal from a program or misunderstanding financial aid processes, etc.).
Complex requests (usually related to current or potential litigation) can take a considerable amount of time to fulfill (20 - 40+ hours), while more routine requests average 2 - 2.5 hours. Fulfilling requests includes tracking, coordinating with records custodians and notifying stakeholders of the request and records being released in a timely manner. As a public state agency, VCU has 5 days to respond to all FOIA requests.

International Activities: Export Controls and Foreign Corrupt Practices Act (FCPA)

The Office of Research and Innovation provides institution-wide export compliance support and FCPA training for the university.

This year, 1,156 employees received training regarding their intended activities to certain international destinations. Placement of proactive messaging provides timely information as to resources, travel warnings, recommended safety precautions and identifies online resources, on-demand information and additional training content.

Individuals traveling to destinations that have US sanctions or other export restrictions are deemed high risk and receive customized guidance on compliance requirements. In FY 2018, 325 individuals were deemed to be high risk travelers, a 50% increase from FY 2017. The increase can be attributed to changes in the United States’ sanction regulations and country alerts thereby expanding the list of countries considered high-risk.

VCU’s loaner travel laptop program was utilized 69 times between July 1, 2017 and June 30, 2018 and the number of travelers making use of this program is increasing.
Additional compliance review, screening, and training efforts included:

- 490 export controls based reviews via Sponsored Programs Checkpoints
- 173 visa reviews prior to hire
  - 68 for H1-B visas for employees
  - 105 for J1 visas for post docs
- 10 scheduled trainings related to Dangerous Goods, Export Compliance, FCPA, and US Anti-boycott regulations
- 5 active Technology Control Plans in place – an all-time high for VCU and a demonstration of the increasing complexity of the university’s strictly regulated research activities

Appendix A

Definitions for Report Outcome Classification

A report is classified as **Substantiated** when, after inquiry or investigation, violations of expectations, policy, regulation, or law are found. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Partially Substantiated** when, after inquiry or investigation, a violation of expectations, policy, regulation, or law is found but other allegations—or elements of an allegation—contained in the report were unsubstantiated. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Unsubstantiated** when, after inquiry or investigation, no violations of expectations, policy, regulation, or law exist.

Reports that contain general questions rather than concerns or specific allegations; are not related to current VCU employees or during employment with VCU; or include allegations later withdrawn by the reporter and ICO determines that no further investigation is necessary are classified as **Other**.

Reports that contain insufficient information to proceed with additional inquiry or investigation are classified as **Not Enough Information**.
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Introduction and the Year-in-Review

Welcome to the Annual Report of VCU’s Integrity and Compliance Efforts for fiscal year (FY) 2019. Since the creation of this report in 2012, the goal has been to provide information to the Board and broader university community related to the impact of VCU’s Ethics and Compliance Program. Building on a solid foundation, the program is modeled and supported by various regulatory drivers, industry best practices, and, at its core, rooted in the minimal requirements of the Federal Sentencing Guidelines (FSG). Benefitting from the work of a well-established and trusted compliance partner network along with Presidential and Board level support, the program is available to all and helps inform decision making. Highlights herein showcase universitywide integrity and compliance activities and outcomes geared toward maintaining a community prepared to live our values and, when necessary, identify, call out or report suspected wrongdoing and appropriately address misconduct when substantiated.

The purpose of this report is two-fold.

- To support the Board in fulfilling its obligation as the university’s governing authority by providing the information needed on aspects of the university’s integrity and compliance activities. This charge comes from widely accepted governance practices and more directly from the Federal Sentencing Guidelines and is addressed with the following language, “[The] Governing authority shall be knowledgeable of and exercise reasonable oversight with respect to the implementation and effectiveness of the ethics and compliance program”.

- To assist with awareness and transparency throughout the university related to ethics and compliance matters. By this report collecting and analyzing the prior year’s activities and outcomes, management is provided with relevant and timely information that assist with defining and measuring our culture.

These activities and outcomes are reported on because it is important to transparently share the information established from collected data. This report serves as a supplement to the established quarterly Board reporting occurring throughout the year. This permits and thereby promotes more discussion time during Board meetings -- as is also expected by the FSG:

_The organization shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the ethics and compliance program, to the individuals referred to in a subparagraph (B) [the governing authority] by conducting effective training programs and otherwise disseminating information appropriate to such individuals’ respective roles and responsibilities._

Current Landscape and Industry Trends

This year, the ethics and compliance profession remained active both in the regulatory compliance space and the ethical treatment of individuals arena. The industry had much to examine through the federal government’s activities and changes, increased attention on Department of Justice’s expectations for
effective programs, and in multiple publications recognizing the ethics and compliance function as central to business strategy.

Across industries, increased attention on risks associated with third parties and information and cyber security (massive data breaches and malware attacks); increased public momentum and interest in reporting or raising concerns relating to inappropriate behavior; failing to conduct affairs with expected transparency; and subsequent scrutiny of responses once problems were known all reigned supreme over 2018-19. Responses and investigation-related interests are no doubt attributable to the national landscape and media coverage of several high profile events. From privacy of personal information in the social media space to delayed, insufficient or clandestine investigative actions and reports, ethics-related concerns remained in the main stream spotlight year round.

Focusing on building (or preserving) a respectful workplace dominated professional association training offerings, publications and messaging while also covering civility and its place in workspaces. In fact, research has shown that in comparison to the world’s turmoil, employees now see their workspaces as civil respites. Additionally, and in great news for VCU in particular, the more diverse a workspace is, the more civil it tends to be. Research from the 2018 "Civility in America: At Work and In Our Public Squares" from Weber Shandwick, et al.

Major data breaches continued at their usual frequent pace invoking cyber security, information ethics and other privacy-related concerns. More than 5 universities over this fiscal year reporting major data breaches, not all of whom were medical center affiliated. VCU’s breaches increased in reporting due to intentional awareness efforts but remained steady in reporting qualified cases to Health and Human Services’ Office of Civil of Civil Rights.

In particular to higher education, reporting and response around high profile unethical admissions practices, faulty campus leaders and relationship transparency – especially the U.S. government’s interest in dealings with non-U.S. individuals and entities – also known as fruitful ground for potential conflicts of interest and commitment, all steadily remained in the headlines. Scrutiny from federal government’s interest in improper foreign influence affords companies and universities, by way of Title IV funding conditions, alike the opportunity to assess commitments to relationship transparency and international activities. Efforts to update resources and bring awareness to this issue took place this year through a values and compliance focused group discussing all dynamics of this topic and maintaining VCU’s global approach to supporting academic freedom.

In April, the Department of Justice released additional guidance related to evaluation considerations for ethics and compliance programs. This reinvigorated interest brought front and center in 2017 when DOJ released their Evaluation of Corporate Compliance Programs which highlighted considerations for establishing effectiveness. The 2019 additions focused on:

- autonomy and resources – specifically structure
- commitment by senior and middle management and what is tolerated, encouraged and impeded
- what persists in competing interests
- access and enforcement of policies, includes changes base on lessons learned
- risk tailored resource allocation
- form, content and effectiveness of training
- investigation process and response, includes qualifications to address, duration and monitoring, resources and tracking of results
- consistent use of incentives and disciplinary measures
• use of internal audit
• measuring the culture
• third party management, including tracking those screened out or terminated

all of which are solid considerations for meeting the expectations of an effective program. This was good
timing for VCU as the third party review of the ethics and compliance program’s effectiveness review had
just concluded and offered additional information for comparisons. See the Effectiveness Review and
Effectiveness Statement sections in this report as well as the full report from Ethisphere.

Closer to Home: Inside VCU

However, even with the increased attention on the national scale and the varied regulatory compliance
requirements, and uncontrollable external influences, VCU’s Culture Survey outputs and the conclusions
drawn from the Reported Concerns Data remain steady and positive. VCU continues to assess and
improve practices for a stronger values based culture of ethics and compliance.

The inaugural program design and effectiveness review concluded with overwhelmingly positive results,
especially considering allocation of available resources. VCU’s ethics and compliance program compares
favorably to the 2018 world’s most ethical companies honorees in the following categories:

• Board reporting and strong Board interactions
• Board member involvement with personnel matters of the position with overall responsibility of
the program, the Executive Director for Audit and Compliance Services (includes hiring, evaluation, compensation and termination)
• Time devotion (100%) to position for person in oversight role for the program, University Chief
Ethics and Compliance Officer
• Coverage of topics regularly discussed in internal ethics and compliance committee meetings
• Culture Assessment: All employees are surveyed and sufficiency of topics covered
• Policy distribution and coverage by risk topic
• Maintaining a documented ethics and compliance plan
• Making reporting metrics broadly available

An assessment of all required policies and training, needs around interest disclosure and collaborative
activities and practices, preparations for the upcoming Commission on Colleges of the Southern
Association of Colleges and Schools 5th year review, shifting the affirmative action plan approach and
improving web accessibility required much effort on the part of compliance partners this year.

After an assessment of data points, VCU has a few all time record highs supporting the following
statements:

• completion rate for required trainings of all employees – at 90% overall and 99% for core
employees (sans part time and student workers)
• over 400 reported concerns and, more often than not, reported directly to the appropriate office
with expertise, or if through the Helpline were re-routed within 1 business day almost 100% of the
time
• the substantiation rate is at an all-time high at 66% for substantiated and at 72% when including
partially substantiated outcomes
• the anonymity rate when reporting misconduct remains consistently low compared to industry peers and this year was a record low for VCU at 10% of reporters remaining anonymous
• all conflicts of interest inquiries were in a proactive capacity seeking permission to move ahead with transactions

These new records demonstrate continuing a strongly positive status and improvement within VCU’s already existing Speak-Up-Listen-Up culture. This is further supported by the details in the **Reported Concerns Analytics and Benchmarks** section that support a narrative of effective training. Training is an opportunity to bring clarity for VCU’s expectations and enhance accuracy in issue spotting. These outcomes may also indicate increased trust in VCU’s approach to organizational justice, specifically the areas of interactional and procedural justice.

These are the selected highlights for a year in review, it is not practically feasible to cover all contributions and accomplishments in an introduction or within a single report. The remainder of this report covers more detail as to specific topics and impacts on VCU for FY19. Please share comments or questions with the Executive Director of Audit and Compliance Services, or the University’s Chief Ethics and Compliance Officer, or ucompliance@vcu.edu.

### Reported Concerns Analytics and Benchmarks

Overall, the number of reports to, and utilization of, all trusted advisors continues to increase steadily. The university’s ethics and compliance partners received and managed 416 reports; an increase of 14% over FY 2018. Time to reach final outcome improved across units and at the close of the fiscal year, only 37 reported concerns remained open; a decrease of 38% from 60 open cases in FY2018. The time to reach final outcome for pending matters will continue to receive more frequent monitoring and root cause analysis to understand and mitigate excessive delay in resolution.

**Breakdown of Reports to All Trusted Advisors Based on Independence**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports to Independent Option – <em>ICO</em></td>
<td>91</td>
<td>81</td>
<td>62</td>
<td>84</td>
</tr>
<tr>
<td>Reports to Independent Option – <em>Internal Audit</em></td>
<td>24</td>
<td>7</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Reports to Management Option – <em>Compliance Partners</em></td>
<td>192</td>
<td>185</td>
<td>292</td>
<td>326</td>
</tr>
<tr>
<td>Total Reports</td>
<td>307</td>
<td>273</td>
<td>365</td>
<td>416</td>
</tr>
<tr>
<td>% Reported to <em>Audit and Compliance Services – independent Option</em></td>
<td>37%</td>
<td>32%</td>
<td>20%</td>
<td>22%</td>
</tr>
</tbody>
</table>
Continued increase in reports to Human Resources is likely due, in part, to enhancements in data tracking, including utilization of a universitywide issues and events management e-solution along with increased staffing. The increase in reports to the Integrity and Compliance Office is likely driven by a 43% increase in reports to the VCU Helpline which may be indicative of a decrease in employee willingness to report concerns to central offices. The 2019 Ethical Culture and Perceptions Survey identified that employees were less comfortable reporting concerns to their managers than in the 2017 survey. Additionally, the survey identified employees were most confident they would be protected from retaliation if reporting through the VCU Helpline.

The substantiation rate continues to rise and is at an all-time high of 72%. This rate is also significantly higher than a 2019 report on national benchmarks from an industry leading vendor and the previously established VCU benchmark. Higher substantiation rates may indicate employees are well informed about university expectations and are empowered to speak up when those expectations are not being met. It additionally points to effective investigative procedures. There was a notable decrease in report outcomes of “Not Enough Information” and “Other.” This may be attributed to a decrease in anonymous reporting which allowed compliance partners to engage with reporters and gather sufficient information in order to make a resolution determination.

---

1 Penman, Carrie; 2018 Ethics and Compliance Hotline and Incident Management Benchmark Report Navex Global
Consistent with VCU’s prior data and national trends, allegations classified as Human Resource-related remain steady and represent the largest volume of these reported concerns at 68%, with a 72% substantiation rate.

Allegations classified as equity-related topics saw a substantial decline in substantiation rate from 42% in FY 2018 to 17% in FY 2019. The 17% substantiation rate is more consistent with the university benchmark of 26% and the FY 2017 substantiation rate of 14%; therefore, it is likely that the FY 2018 rate is abnormally high.

For allegations classified as financial-related, there was a substantial increase in substantiation rate to 91%, well above the university benchmark of 49%. This may be attributed to increased awareness of financial policies and procedures and increased internal process monitoring.

The university exceeded ethics and compliance industry benchmarks for per capita reports of

### FY 2019 TOP 10 PRIMARY ISSUE TYPES REPORTED

- Employee Relations [163]
- Ethics Violation [88]
- Discrimination based on Protected Class [31]
- Waste, Misuse or Theft of Resources [23]
- Academic Concerns [18]
- Sexual Misconduct [15]
- Health or Safety/Security Concerns [14]
- Abuse of Power, Authority or Control [11]
- NCAA Violations [11]
- HIPAA Compliance [6]
concern, demonstrating a university environment that supports a speak-up culture and providing increased visibility of issues and events in order to identify patterns and practices of unethical conduct. This is additionally supported by VCU’s 2019 Ethical Culture and Perceptions Assessment, wherein 79% of respondents stated they were comfortable reporting incidents or concerns of noncompliance directly to their supervisor.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019 Navex Global Survey</th>
<th>VCU Internal Benchmark</th>
<th>FY 2019 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases per 100 employees</td>
<td>1.4 (Median)</td>
<td>2.72</td>
<td>3.57</td>
</tr>
<tr>
<td>Anonymous Reports</td>
<td>57%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>Direct Contact Reports vs Helpline Reports</td>
<td>38%</td>
<td>78%</td>
<td>82%</td>
</tr>
<tr>
<td>Substantiation Rate</td>
<td>42%</td>
<td>51%</td>
<td>72%</td>
</tr>
<tr>
<td>Most Common Allegation Type</td>
<td>Human Resources – 70%</td>
<td>Human Resources – 64%</td>
<td>Human Resources – 69%</td>
</tr>
<tr>
<td>Concerns of Retaliation</td>
<td>1.18%</td>
<td>7%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Benchmarking Note**: Metrics collected are presented in comparison with a university benchmark for the respective metric. The university benchmark is calculated using the average from all available data from FY 2016 through FY 2018. Metrics are additionally compared to Ethics and Compliance Industry benchmarks collected and analyzed by Navex Global in the *2019 Ethics and Compliance Hotline and Incident Management Benchmark Report*. A planned enhancement for FY 2020 is to benchmark the university’s data against a more current timeframe and specific educational industry peers through use of a software enhancement to the current case management electronic system.

**Ongoing Risk Assessment Update**

**Effectiveness Review**

Programs unable to demonstrate effectiveness are not given full credit by the federal government during inquiries, investigations, or proactive self-reporting when misconduct is suspected or found. The goal of a program is to demonstrate effectiveness in order to receive favorable interactions or a reduction in culpability score for the organization should misconduct be found. For this reason, it is critical that programs undergo periodic assessments of program design and function.

This year involved VCU’s first external review by Ethisphere, an independent third party leader in the space of assessing effectiveness of Ethics and Compliance Programs and Program Design across industries. Year’s prior included self-assessments. This review concluded in March and with several accolades and areas for needed improvement, mainly in the communication and training of management.
personnel and design areas, noted, the overall result was favorable. Additional details are provided in the Year in Review: Closer to Home, Inside VCU section and additional context for the importance placed on effectiveness in the Effectiveness Statement section. The full report is available here.

These results, response plan and progress was and continues to be reported on to the Board of Visitors in fulfilling their governance role as to the progress of the program and the organizations commitment to the support and progress of the program.

Non Routine Government Reviews

This section highlights significant government reviews conducted; the results of the reviews; and university remediation plans to prevent recurrence of any identified issues where applicable. This does not include accreditation activities. Monitoring external state or federal agency inquiry, review, investigation, or audit activities and facilitating a unified and appropriate response to external agency requests is always of high priority. No fines, debarments or resolution agreements were levied or agreed to this year.

This year, the State Department issued their findings related to a proactive inquiry centered on Exchange Visitor Programs. This onsite, multi-day, visit with regulators included employee interviews and an intensive document collection, production and review.

The regulators noted existence of both timely processing of visa transaction work and some training and communication efforts; however, notes as to screening and application documentation; other facilitations around approvals and decision making authority for involved offices leave opportunity for improvement. The enforcement of the revised Delegated Signatory Authority policy and the policies applicable to the Global Education Office combined with
transactional work of centralized and decentralized Human Resources personnel will align to address the regulators recommendations.

Additionally, this year required a significant effort prioritization to make accessible all public facing web content, in particular main or predominant web pages and publications, prompted by a complaint filed through the Department of Education’s Office for Civil Rights. VCU was among hundreds of universities who received similar complaints and after demonstrating significant compliance progress has now received a favorable review from OCR. An electronic accessibility coordinator is now housed in Information Technology to regularly monitor efforts universitywide and to assist with demonstrating progress.

**Conflict of Interest and Commitment**

Relationship and transaction transparency and the issues that result from undisclosed or disclosed interests but unmanaged conflicts have always provided attention grabbing headlines in government, private sector and academia. In this age of interconnectedness, immediacy, on-demand information and expected transparency, public scrutiny remains intense alongside expectations for greater monitoring and accountability.

For this reason, a standalone Conflicts of Interest (COI) training course was developed and a web-based disclosure tool was purchased and configured with a custom questionnaire to help ensure a workplace free from unmitigated conflict, bias or improper influence. For relevancy and custom application, these projects were also informed by recent survey testing for awareness and compliance with existing policy relating to outside professional activities. Pilots of the course and disclosure tool have been conducted in accordance with the conflict review protocol and universitywide policy draft permitting best practices assessment and further refinement for the universitywide program.

COI-related inquiries directed to the ICO continue to rise in complexity year over year; however, this is the first year that inquiries were all/proactive rather than post commitment or post transaction. Individuals are looking for assessment tools, reporting forms and guidance. This shift toward permissiveness indicates that awareness and understanding of COI matters has reached a maturity point.

Operational units also assessing disclosures for conflict management in this space are Athletics and Research. This year, Athletics NCAA-required processes have been reconciled into the universitywide electronic solution for centralized coordination and independent oversight. Research-specific practices have been fully intact and operational by research expertise for years. This past fiscal year, matters were as expected with no atypical occurrences or notable changes.
Information Security

The Office of Information Security with Technology Services attained an 86% completion rate for annual training in FY 2019; a slight decrease from 89% in FY 2018, which was an all-time high. Notably, events triaged went down by 46%; largely as a result of staff vacancies throughout the year. Despite the personnel vacancies and a 55% increase in potential security events detected against Category I data, these high priority events are still being remediated timely, as evidence in the chart below. Additionally, the wide adoption and deployment of multifactor authentication is most likely the cause of a significant decrease in compromised accounts, down to six in FY2019 from 85 in FY 2018. The number of reported potential or actual data breaches increased 100% in FY 2019 to 14 largely due to human error.

FY 2019 Security Incident Response statistics:

52,268 Total Potential Events Detected
Full compliance was maintained without issue for all required reporting of data to federal agencies. Quarterly and monthly meetings with operational owners of compliance risks through the Compliance Advisory Committee and individual deeper assessments provide forums for communication of expectations and updates, data assessment and trend lines, inner network group discussions and support for day-to-day operations. Internal Audit is included in these meetings in an effort to inform overall strategy and scope for specific audits.
Universitywide Policies

The Policy Program continued to make improvements in reviewing policies for accuracy and feasibility; streamlining content to reduce quantity and improve quality of existing policies. The program made improvements in educating and supporting the university community with the policy development and approval process. This resulted in increased collaboration between the Policy Program and the university community, leading to improved policy drafting, which contributes to clarity, comprehension and thereby, enhanced compliance. Finally, while a significant number of policies remain outdated, notwithstanding increased communication with associated respective policy owners, the number of policies being actively managed, or in development, within the outdated group has improved [29 out of 65].

The Top 5 downloaded policies in FY 2019 were:

- Working at VCU Great Place Policies
- Sexual Misconduct/Violence and Sex/Gender Discrimination
- Faculty Promotion and Tenure Policies and Procedures
- Computer and Network Resources Use
- Outside Professional Activity, Consulting and Continuing Education Instruction for University and Academic Professionals and Classified Staff - Interim
Measuring the Culture: Ethical Culture & Perceptions Assessment

Since 2010, the Integrity and Compliance Office (ICO) has conducted a biennial culture survey assessing the university’s employee community. Specifically measuring awareness of certain resources; perceptions of integrity and compliance in the workplace; and comfort level related to speaking up when clarity is needed or to raise a concern. The survey serves as one tool to measure the culture by identifying and measuring drivers of ethical conduct and opportunities to strengthen the culture and thereby the effectiveness of VCU’s Ethics and Compliance Program. Noted throughout the 2019 Ethical Culture & Perceptions Assessment are benchmark statistics from prior years and the Global Business Ethics Survey (GBES) — the leading longitudinal, cross-sectional study of workplace conduct from the employee’s perspective — conducted by the Ethics & Compliance Initiative (ECI), released in 2018.

VCU’s Culture Assessment report is organized into four main themes:

### Awareness of the Program and Resources
- Familiarity with ethics and compliance related resources
- Familiarity with VCU’s policies

### Perceptions of Employees and Environment
- Perceptions of ethical conduct in the workplace
- Trust between managers and their employees

### Observing and Reporting Misconduct
- Comfort-level with raising concerns
- Observation of misconduct
- Reporting misconduct

### Organizational Justice
- Appropriate resolution and follow up
- Perceptions of retaliation in response to voicing concerns

Despite a record low participation rate, results were consistently positive. This year all employee types, major budget units, campus locations and years of service are represented in this year’s survey. Overall, the data shows that resources remain well-known and individuals continue to speak up and demonstrate the university’s commitment to accountability.

Consistent with prior years, a generally healthy ethical environment is evident this cycle. It seems likely that regardless of record high or low participation, the responses do not significantly change given the respondent quantity. The representation from all employee groups provides some insight but will be compared to other recent, similar surveys and available data points to ensure a comprehensive approach to assessing culture measurements. This will provide a collaborative platform for further reflection.

Specifically, results indicate managers would likely benefit from increased training, especially related to handling reported concerns. Increased incentives to handle concerns appropriately (e.g., consideration for performance reviews, bonuses, promotion, etc.) are also recommended. Lastly, awareness levels around policies promoting anti-retaliation and civil, professional and ethical expectations indicate a need for more communication. While these topics continue to be addressed in annual training and other ICO awareness initiatives, messaging from direct managers and senior leadership members is needed to increase ethics outcomes (e.g., reporting of concerns, perceptions of retaliation, rates of misconduct, pressure to compromise standards).
Training and Education

This fiscal year, a comprehensive, proactive onboarding course for all new employees was implemented as a part of the larger Human Resources Onboarding Program. This ensures training within the first month, covering baseline expectations on:

- core values
- ethical decision-making
- university policies and other expectations
- reinforcement of selected topics
- policies based on institutional risk
- resources to achieve clarity
- a zero tolerance commitment to retaliation

This approach compliments the needed risk based approach for required annual training for all employees.

This year, annual education took the form of an overview and acknowledgement of the refreshed Code of Conduct, which was revised to include more resources and tools for the covered topics and improved navigation. Completion rates rose to 90% overall and 99% for core employees, an all-time high.

Training for FY20 will continue with modern and evidence based research for effectiveness - including micro-learning and just-in-time messaging.

Effectiveness Statement

External third party review was noted prior in this report, in addition:

Maintaining an effective ethics and compliance program in an ever changing regulatory landscape, shifting societal norms, multigenerational workplaces, and the multifaceted social media driven environment, while facing competing interests with finite resources, challenges every organization. Program implementation requires:

- on demand information
- strategically placed incremental training reminders
- continual and ongoing risk assessment
- interdisciplinary and enterprise-wide collaborations
- transparent and timely communications with key stakeholders
- risk-based decision making

Supporting an approach based in regulatory and industry best practice, permitting dedicated expert resources to systematically translate obligations and expectations into appropriate actions that drive positive outcomes, requires sustained commitment to integrity and accountability at the highest levels.
Apart from the challenges organizations of similar scope and complexity experience, (generally relating to communication, documentation and accountability) no newly discovered patterns or practices of systemic misconduct have been identified this fiscal year. However, further progress of ethics and compliance initiatives continues to be impacted by competing priorities of other areas and the exclusion of the function in strategic planning and incident response.

Overall, the Ethics and Compliance Program continues to operate from a position of strength in:

- supporting creation and maintenance of clear expectations;
- supplying reporting mechanisms to identify perceived or actual misconduct;
- ensuring resources are dedicated to assist with appropriate responses to misconduct with an aim to prevent recurrence when identified; and
- reporting to the governing authority on matters of progress and of concern.

Additionally, the network of trusted advisors, known as compliance partners, and the continued commitment by Compliance Advisory Committee members adds to the strength of VCU’s capacity for ethics and compliance program effectiveness.

The role of management to enforce expectations and set the tone at the top of integrity in all operations remains critical. These efforts ultimately combine to increase value to VCU as it strives to meet its mission of excellence and in upholding the public’s trust. Industry benchmarks continue to identify that changes bring pressures and an increase in pressures require deliberate diligence in supplying messaging around values. With increasing pressures (e.g.; regulatory and public demands), an effective program with solid foundational elements will continue to require deliberate design, formal structure and the time and the agility to respond to changing demands whether from industry, regulation, or specific to the needs of VCU.
Student and Employee Ethics and Compliance Areas – Select Highlights

A growing trend in higher education is the evolution from an employee-centric approach to one in which includes students. Both intentional messaging to the student population and relevant data points are also included in assessing the effectiveness for ethics and compliance programs. With this in mind, notable statistics from the Office for Student Conduct and Academic Integrity (OSCAI) within the Division of Student Affairs and the Health Science’s Division for Academic Success (comprised of Student Academic Support Services and Disability Support Services) are included below. Once a university benchmark is established, these data points will be integrated into the traditionally reported data points and benchmarked as part of standardization of ethics and compliance efforts.

Additionally, selected areas with marked increase in demand and accomplishment are included

Student Conduct and Academic Integrity

Of the reports made to Student Conduct and Academic Integrity, 72% were substantiated. (Note: 46 cases remain open as of August 5, 2019) All reports were made directly to the office with 89% reported by faculty and 11% reported by students or on behalf of university offices. The substantiation rate represents the OSCAI finding of “responsible” for the misconduct. This is consistent with the prior year’s data. In 17% of cases, the subject was found to be “not responsible.”

Reports related to academic integrity

Academic Integrity is defined by the Honor System policy to mean: Plagiarism; Cheating; Lying; Stealing; and Facilitation.

- **414**
  - Reports of misconduct (total student population of 31,000)
- **7%**
  - Decrease from FY 2018
Student Accessibility and Accommodations

The Student Accessibility and Educational Opportunity (SAEO) Office on the Monroe Park Campus and the Division for Academic Success (DAS) on the Health Sciences Campus work together to provide equal access to the university’s educational programming and activities to students with disabilities. SAEO is a resource for the Monroe Park Campus for individuals with disabilities requesting reasonable accommodations to receive services and obtain the protection of Section 504 of the Americans with Disabilities Act. DAS also provides disability support services and academic support services to students on the Health Sciences Campus.

On the Health Sciences Campus, DAS enhanced the student database to gather information to ensure students seeking services understand the accommodations process and are aware of the technical standards for their programs. DAS conducted a survey open to 1,472 students with disclosed disabilities (251 responded) on barriers to disclosing. Results showed that the top two reasons students were reluctant to disclose having a disability was 1.) fear of being negatively labeled; and 2.) the competitive nature of the programs. DAS is reviewing ways to offer disability awareness training to faculty, staff and students to educate on with these impressions.

Virginia’s Freedom of Information Act (FOIA)

Over the last few years, implementing FOIA training has resulted in a more educated population with better coordinated institutional responses. Responses have reached a maturity point wherein disclosing necessary information with minimal redactions helps fortify VCU’s commitment to transparency in all dealings. As a public
state agency, VCU has 5 days to respond to all FOIA requests.

This year, the 11% increase translates to 168 requests typically covering - procurement and athletic department contracts; employee salary data; employee hiring and recruitment; administrative investigation results; parking, transportation and GRTC; and student demographics.

Trends in the use of the Act

1. Significant increase in journalist/media requests – almost double the number of requests in FY 2019 as compared to FY 2018
2. Slight increase in requests from political consultants requesting information on individual employees
3. Requests for contracts or documents related to donations and funding attributed to increased interest in influence of foreign donors on higher education in the US

![FOIA Requesting Parties](chart)

- Current and Former Employees: 65
- Current and Former Students: 13
- Legal Representation: 13
- Media: 34
- Third Party Requestor (not fitting other choice): 31
- Vendors: 12

International Activities: Export Controls and Foreign Corrupt Practices Act (FCPA)

The Office of Research and Innovation provides universitywide export compliance support and optional FCPA training for the university. Placement of proactive messaging provides timely information as to resources, travel warnings, recommended safety precautions and identifies online resources, on-demand information and an optional, no cost, clean lap-top loaner program.

Individuals traveling to destinations that have US sanctions or other export restrictions are deemed high risk and receive customized guidance on compliance requirements. This year saw an 18% decrease over the prior year with 267 individuals deemed high risk travelers. Another 822 travelers were deemed low risk travelers.
Additional compliance review, screening, and training efforts included:

- 421 export controls based reviews via Sponsored Programs Checkpoints
- 178 visa reviews prior to hire
  - 79 for H1-B visas for employees
  - 99 for J1 visas for post docs
- 3 Travel Training Sessions held
- 8 active Technology Control Plans – an all-time high, demonstrative of the university’s complex and strictly regulated research
- 3722 restricted party screenings performed universitywide
  - 370 performed by the Export Controls Office

Appendix A

Definitions for Report Outcome Classification

A report is classified as **Substantiated** when, after inquiry or investigation, violations of expectations, policy, regulation, or law are found. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Partially Substantiated** when, after inquiry or investigation, a violation of expectations, policy, regulation, or law is found but other allegations—or elements of an allegation—contained in the report were unsubstantiated. When this occurs, the ICO is available to consult in the development of a corrective action plan for appropriate parties.

A report is classified as **Unsubstantiated** when, after inquiry or investigation, no violations of expectations, policy, regulation, or law exist.

Reports that contain general questions rather than concerns or specific allegations; are not related to current VCU employees or during employment with VCU; or include allegations later withdrawn by the reporter and ICO determines that no further investigation is necessary are classified as **Other**.

Reports that contain insufficient information to proceed with additional inquiry or investigation are classified as **Not Enough Information**.
The Integrity and Compliance Office conducts this survey every two years to assess employees’ perceptions of VCU’s ethical culture in order to measure program impact and plan future initiatives.
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Executive Summary

Since 2010, the Integrity and Compliance Office (ICO) has conducted a biennial survey assessing employee awareness of certain resources; perceptions of integrity and compliance in the workplace; and comfort level related to speaking up to raise concerns or make inquiry when clarity is needed. The survey serves as one mechanism to identify and measure drivers (also referred to herein as key performance indicators) of ethical conduct, opportunities to strengthen workplace culture, and effectiveness indicia of VCU’s Ethics and Compliance program. Noted throughout are comparisons to benchmark statistics from the 2018 Global Business Ethics Survey (GBES), the leading longitudinal, cross-sectional study of workplace conduct from the employee’s perspective.

Survey results are widely distributed, beginning with the Board of Visitors Audit, Integrity and Compliance Committee, VCU’s Compliance Advisory Committee, University Council, cabinet and other key stakeholder groups. This communication pathway ensures that leaders and compliance partners understand findings and are equipped to implement strategies for improving our ethical culture.

This assessment is made possible by 1,618 unique respondents representing all employee types and major budget units. This cross-section provides a comprehensive view of perceptions in the environment with a weighted representation from the grouping: University and Academic Professionals and Classified Staff and those working here between 1-5 years. Additional demographic details are included in the appendix.

Overall, results are positive and demonstrate the university’s commitment to accountability through ongoing measurement and response to the voice of the university community. Results show that expectation-setting and reporting resources remain well-known, and individuals continue to speak up. Along with a generally healthy ethical environment, results also identified opportunities for reflection and
consideration of responsive strategies, which also align with the recommendations made by Ethisphere in the recent effectiveness review of VCU’s Ethics and Compliance Program:

- Managers would likely benefit from increased training, especially related to handling reported concerns
- Increased incentives to handle concerns appropriately (e.g., consideration for performance reviews, bonuses, promotion, etc.)
- Better communicate policies promoting ethical expectations in a civil and professional working environment to increase awareness levels
- While these topics continue to be covered in annual training requirements and other awareness initiatives from central offices (ICO, DIE, HR, EAS, etc…), messaging from direct managers and senior leadership is needed to increase ethical outcomes (e.g., reporting of concerns, retaliation, rates of misconduct, pressure to compromise standards)

New questions this cycle — prompted by both industry best practices and prior survey results — are related to:

- Clarity of the Code of Conduct and universitywide policies
- Values-based decision-making
- Respecting students
- Sources of pressure to compromise expectations

Key performance indicators are highlighted below along with a brief summary of notable results. Following this summary, the Detailed Survey Results, Analysis and Suggested Strategies section provides relevant supporting data.

### Awareness of the Program and Resources

(beginning on page 5)

**Measures familiarity with resources (including university policies).**

**New questions this cycle:** I believe that VCU Policies are clearly written and easy to understand; I believe the VCU Code of Conduct clearly communicates expectations.

- Familiarity with resources remained consistent with 2017 survey results with 4 out of 5 respondents agreeing that policies are clearly written and easy to understand.

- Familiarity with policies promoting a civil and professional working environment and anti-retaliation fell 7%, matching the 2015 level (77%).

These results are most likely attributable to ICO awareness and education initiatives— comparable to the past survey cycle— which included training presentations, compliance week activities, informational tables at VCU sponsored events, nurturing business relationships, remaining accessible and credible, and joining several collaborative committees and workgroups. Additionally, awareness and training surrounding the initial launch of the HR Redesign and its related policies have slowed. A new policy
codifying ethical standards was approved in December 2018. These changes may be contributing to the drop in familiarity with policies promoting a civil and professional working environment.

**Perceptions of Employees and Environment**
**(beginning on page 8)**

Measures perceptions of ethical conduct and trust related to employee-supervisor relationship.

**New questions this cycle:** VCU’s core values drive my decisions; VCU’s core values drive decisions made by others in my area; my area treats students with dignity and respect.

- Agreement that employees demonstrate integrity and ethical behavior in performance of duties remained consistent with the 2017 survey.
- 91% agreed their area treated students with dignity and respect. The remaining 9% were not concentrated within any one area.
- 73% of respondents agreed that VCU’s core values drive decisions made by others in their area and 83% agreed that the core values drive their decisions. This discrepancy is expected as, psychologically, individuals often rate themselves higher or better than others in surveys. This aligns with VCU norms created by prior survey responses.

Themes compiled from an open-text field question provided an opportunity to share any additional perceptions or integrity or compliance comments/concerns; a solicitation for suggestion to improve our culture; what topics there is a desire to learn more about or any specific rationale for agreement levels in prior survey responses. The aim is to remain inclusive and responsive to the university community in ways that resonate.

**Observing and Reporting Misconduct**
**(beginning on page 11)**

Measures comfort level, observations and reasons for not reporting.

Responsive questions addressed whether concerns were reported and subsequently why respondents declined to report.

**New questions this cycle:** The follow-up question, “describe the source of pressure” was presented if a respondent indicated they felt pressure to bend, break or circumvent expectations.

- Respondents expressed less confidence that they would be protected from retaliation, regardless of reporting to a manager, central office or through the Helpline. Reporting to a central office had the greatest drop, of 9%, from the prior cycle and remains the least trusted reporting pathway in regard to retaliation.
There was a slight increase (of 4%) from the last cycle in observed or experienced misconduct at 19%; however, this rate remains low in comparison to the national average of 30% reported by the 2018 GBES.

<table>
<thead>
<tr>
<th>The most common types of misconduct observed at VCU:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 41% Intentionally not following laws, regulations or policy (n=127)</td>
</tr>
<tr>
<td>• 40% Repeated extremely disrespectful or unprofessional behavior by a supervisor (n=124)</td>
</tr>
<tr>
<td>• 36% Abusive or intimidating behavior by a co-worker (n=111)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The most common types of reported misconduct noted in the GBES benchmark:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 26% Intentionally lying to employees or stakeholders</td>
</tr>
<tr>
<td>• 21% Abusive/intimidating behaviors by a co-worker</td>
</tr>
<tr>
<td>• 15% Decisions or actions taken to benefit an employee over the interests of the organization</td>
</tr>
</tbody>
</table>

Organizational Justice (beginning on page 17)

Measures feelings toward issue response and resolutions and perceptions of retaliation.

New question this cycle: As a manager, I have received adequate training to successfully manage and support my employees.

> 75% of managers feel they have received adequate training on successfully managing employees

> 16% of respondents offered substantive comments, more than double from the 2017 survey. One in five comments included either:
  - A positive remark
  - General concerns about the culture
  - Criticisms or suggestions related to ethics, compliance or policy

> There was a 9% decrease within the subgroup of respondents who reported misconduct and their belief that what was reported was fully or partially resolved. This subgroup contains 125 individuals which is 12% of the respondent population.

Understandably, feelings of uncertainty and unsatisfactory handling of reported concerns is likely attributable to the fact that communication must often be limited when the resolution is related to personnel actions. Additionally, little or no follow-up is also a contributor, which illustrates an opportunity for additional education on the appropriate response to employees by management when concerns are reported.
Detailed Survey Results, Analysis and Suggested Strategies

The following sections contain survey results and conclusions organized into the following themes:

<table>
<thead>
<tr>
<th>Awareness of the Program and Resources</th>
<th>Perceptions of Employees and Environment</th>
<th>Observing and Reporting Misconduct</th>
<th>Organizational Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Familiarity with ethics and compliance related resources</td>
<td>• Perceptions of ethical conduct in the workplace</td>
<td>• Comfort-level with raising concerns</td>
<td>• Appropriate resolution and follow up</td>
</tr>
<tr>
<td>• Familiarity with VCU’s policies</td>
<td>• Trust between managers and their employees</td>
<td>• Observation of misconduct</td>
<td>• Perceptions of retaliation in response to voicing concerns</td>
</tr>
</tbody>
</table>

### Awareness of the Program and Resources

#### Familiarity with Integrity and Compliance Related Resources

The Integrity and Compliance Office (ICO) serves as a resource to the university community, providing guidance and tools such as the VCU Code of Conduct, Policy Library and VCU Helpline. The following questions measure familiarity with these resources and help determine where to focus ICO awareness and education efforts.

![Bar Chart](chart.png)

*I am familiar with the:*

- **Integrity and Compliance Office**
  - 2012: 3.7
  - 2015: 4.5
  - 2017: 4.9
  - 2019: 4.8

- **Policy Library**
  - 2012: 3.5
  - 2015: 4.4
  - 2017: 4.7
  - 2019: 4.9

- **Code of Conduct**
  - 2012: 3.9
  - 2015: 5.7
  - 2017: 5.7
  - 2019: 5.9
I am familiar with the VCU Helpline for anonymously voicing concerns or asking questions?

As a manager or other leadership role, I know where I can find resources to assist me in developing appropriate ethical behavior and accountability in my employees.

As a manager, I know where I can find resources to assist me in appropriately responding to and addressing reported compliance and ethical concerns.

Familiarity with the Policy Library grew from 63% in 2017 to 67% this year. This metric is expected to continue to improve as the Policy Program is further developed, promoted and utilized.

Familiarity with the ICO (64%), VCU Helpline (73%) and VCU Code of Conduct (87%) was consistent with past years. Most notably, there was a 9% increase in the 7-very familiar response for the Code of Conduct. This, coupled with 88% agreeing that the Code clearly communicates expectations, indicates a greater awareness and understanding of employee expectations. This is also reflected by VCU’s substantiation rate for reported concerns, which has grown from 40% in FY 2017 to 72% in FY 2019.

Familiarity of resources likely remained constant from the 2017 survey due to the ICO’s comparable education and outreach initiatives (which included training presentations, compliance week activities, informational tables at VCU sponsored events, and participation in several collaborative committees and
Ethical Culture & Perceptions Assessment 7

New approaches to awareness efforts are slated throughout FY2020, with the goal of nudging *familiarity of resources* upward using available existing resources.

**Familiarity with Policies**

Respondents were asked about awareness, familiarity and clarity of policies and procedures. The purpose of these questions was to evaluate the ease of use and availability of information needed to accomplish goals in accordance with VCU’s expectations.

I believe that VCU Policies are clearly written and easy to understand.

- Agree: 8%
- Neither agree/disagree: 14%
- Disagree: 79%

I believe the VCU Code of Conduct clearly communicates expectations.

- Agree: 4%
- Neither agree/disagree: 77%
- Disagree: 88%

How familiar are you with VCU's policies promoting an ethical culture, a civil and professional working environment, and anti-retaliation for reporting concerns?

Familiarity with policies promoting a civil and professional working environment and anti-retaliation fell 7%, bringing familiarity back to 2015 levels (77%). This survey result is of concern since the *Expectations of Ethical Conduct* policy was recently approved and communicated (December 2018). In collaboration with senior leadership, the ICO will focus future communications on applications of this policy and other related policies to increase awareness and application of these behavioral standards. However,
measurable progress is dependent on area managers and others in leadership positions doing the same. Research has shown that communicating about the importance of ethics through real incidents and instances of addressing misconduct reinforces the importance of policies and holding employees accountable.

Perceptions of Employees and Environment

Perceptions of Ethical Conduct in the Workplace

The following questions were included in the survey to measure ethical perceptions of peers and those in leadership roles.

I believe that most employees at VCU demonstrate integrity and ethical behavior in performance of their job duties.

I believe that most employees in leadership positions at VCU demonstrate integrity and ethical behavior in performance of their job duties.

VCU’s core values drive my decisions.

VCU’s core values drive decisions made by others in my area.
I believe that my area treats students with dignity and respect.

Agreement that most employees demonstrate integrity and ethical behavior in the workplace remained consistent from 2017; however, there was a 6% drop in the 7-strongly agree response when respondents rated those in leadership positions. On its face, this is not an overtly negative result; however, this change will be monitored through other data sources to ensure early detection of any potential negative or positive trend. Leadership is encouraged to weave in VCU’s core values and mission statement application when explaining, communicating or making decisions. This promotes transparency in the decision-making process and may help to counteract negative perceptions. This also strengthens the ethical tone from the top and exemplifies how organizational ethics fuel thought processes.

Looking at the two new questions related to values-based decision making, it is not surprising that 73% of respondents agreed that VCU’s core values drive decisions made by others in their area while 83% agreed that the core values drive their decisions. This demonstrates employees may be overconfident in their own ethical-decision making; thus, mirroring findings from decades of research related to the effect known as the overconfidence bias. For example, a recent research survey found 50% of respondents believed they were in the top 10% ethically, which is statistically impossible (Di Miceli da Silveira, 2018).1

Perception also has a real impact on ethical culture. The Global Business Ethics Survey (GBES) found that when people are encouraged to base decision-making on organizational values and standards favorable ethics outcomes (e.g., increased reporting of concerns, less retaliation, lower rates of misconduct, reduced pressure to compromise) are increased by 11x. Per GBES, one example of this is the number of voiced concerns rising by 94% when top management verbally promotes workplace integrity. The significance of this at VCU is further explored in the Observing and Reporting Misconduct section of this report.

This year’s survey also asked whether the respondent believed their area treated students with dignity and respect. The overwhelming majority agreed in the positive with only 4% disagreeing. Of this 4%, no

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1 Silveira, Alexandre Di Miceli da. The Virtuous Barrel: How to Transform Corporate Scandals into Good Businesses via Behavioral Ethics. 2018.
specific school or unit stood out; however, most areas disagreeing were located within the Office of the Provost or one of the schools/colleges that report up through the Provost. It may be that these areas or more indicative of actual culture in this area since these areas have more frequent interaction with students in comparison to other units. This will be monitored in other data sources for trends in either direction.

**Trust Between Managers and Their Employees**

These questions measure the level of trust employees feel with their direct manager, which impacts comfort in speaking up to establish clarity or to report concerns, demonstrating ethical conduct and accountability, and contributing to overall organizational health.

<table>
<thead>
<tr>
<th>My manager trusts me to do my job well and with integrity.</th>
<th>I trust my manager to support me in my role and follow through on promises and commitments.</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

The GBES found that employees who felt their managers demonstrated accountability are almost 24x more likely to believe managers are open, honest and care about employees as people. At VCU, 92% of employees indicated that their manager trusts them to do their job well and with integrity, while 82% agreed that they trust their supervisor to support them and follow through on promises/commitments. While, this is a positive indicator of healthy relationships between employees and their direct manager (for reasons noted above in the GBES), the 7% decrease in agreement that managers will follow through on promises and commitments should be explored further.
Comfort Level with Reporting Concerns

Employees were asked to rate their comfort level with reporting issues to their manager and whether they felt they would be protected from retaliation when reporting through various channels. This data was collected to evaluate whether respondents felt they could raise concerns without fear of retaliation.

I feel comfortable reporting concerns to my manager.

I feel that I would be protected from retaliation if I report a concern to:
Since 2017, respondents expressed less confidence that they would be protected from retaliation if reporting to a manager, central office or through the Helpline. Reporting to a central office had the greatest drop of 9% from the prior year and remains the least trusted reporting pathway.

Although fear of retaliation is a commonly cited deterrent to reporting concerns across all industries and is reflected at low levels in VCU’s data (21 reporters noted fear of retaliation when reporting misconduct), the university receives very few allegations of actual retaliation or threat of retaliation (7 in the last two years) and none of these allegations were substantiated (and one is pending as of August 5, 2019). However, retaliation is often difficult to substantiate, is subjective and may not meet VCU’s policy definition of retaliation.²

While substantiated retaliation is low at VCU, research has shown that perceptions drive behavior, which is why management’s involvement in addressing this perception is paramount to easing fears (GBES). The 2018 GBES found ethical outcomes increased 14x when employees felt encouraged to speak up. Encouragement has been suggested by this research to be as simple as routinely asking for feedback or whether the employee has any concerns or questions about anything. This is in contrast to a traditional leadership approach of assuming employees will speak up without routine or pro-active invitation to do so. Other strategies include:

- Showing great appreciation (whether with words or more tangible incentives like spot or bonus awards) when an employee speaks up regardless of whether the concern is substantiated (as long as it has some merit)
- Publicly acknowledging when issues were raised, praising this behavior and sharing the resolution during staff/department meetings

² Additional findings related to retaliation are noted on pages 19-21.
Observation of Misconduct

The following questions assess perceptions of misconduct, whether experienced or observed.

I was asked (or felt pressure to) bend, break or circumvent laws, regulations and/or university policies during the last 12 months by someone in my department. Please describe the source of pressure.

<table>
<thead>
<tr>
<th>Source of Pressure</th>
<th>2015</th>
<th>2017</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dept mgmt or senior leader</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other colleagues</td>
<td>26%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unspoken culture</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct manager</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct reports</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I directly experienced or observed a violation of law/regulation, university policy or our Code of Conduct within my area in the last 12 months.

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes</th>
<th>I believe so, but I can't be certain</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>81%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>2017</td>
<td>85%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>2019</td>
<td>81%</td>
<td>10%</td>
<td>9%</td>
</tr>
</tbody>
</table>
For individuals who observed misconduct [n=308 or 19% of all respondents]: How would you describe the misconduct you directly experienced or observed?

<table>
<thead>
<tr>
<th>Misconduct Description</th>
<th>2019</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intentionally not following laws, regulations or policy</td>
<td>41%</td>
<td>37%</td>
</tr>
<tr>
<td>Repeated, extremely disrespectful or unprofessional behavior in the workplace by a supervisor</td>
<td>35%</td>
<td>40%</td>
</tr>
<tr>
<td>Abusive or intimidating behavior by a co-worker</td>
<td>28%</td>
<td>36%</td>
</tr>
<tr>
<td>Decisions/action taken to benefit an employee over the interests of the university</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Intentionally lying to employees</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Discrimination based on protected class</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Falsifying documents/records</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Stealing or theft of university resources</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Plagiarism or other violation of academic integrity</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Sexual misconduct</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Substance abuse on the job</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Research misconduct</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Respondents who observed misconduct increased 4%, returning to the 2015 level (19%). As in past years, a discrepancy remains between reported rates of “experienced and/or observing misconduct” and those reporting being “directly asked to bend, break or circumvent laws, regulations or policy.” This implies that respondents observe misconduct more often than they experience it themselves or perceptions of misconduct may be greater than actual occurrences.

Some suggested strategies to address perceptions of misconduct include:
- Ensuring process transparency and explaining the basis, or “the why”, of decisions
- Respecting shared governance by seeking input from everyone impacted by a decision
- Routinely and directly asking if individuals have concerns, questions or feedback
- Using the above strategies as guidance, initiating conversations with those who may have an unintended impression or impact

This cycle, we asked about perceived pressure to bend, break or circumvent the rules and from where that pressure stemmed. Seven percent, or 110 respondents, answered that they felt pressure. The source
of the pressure was evenly distributed among senior leaders/management, colleagues and their direct manager, with slightly less reporting that pressure was perceived from an unspoken cultural norm. This is an important element to continue tracking since the Global Business Ethics Survey has shown that as pressure to comprise rules rises, misconduct also increases:

![Figure 1: 2018 GBES](image)

*Intentionally not following laws, regulations and policies* remains the most frequently cited type of misconduct observed, equating to 8% of all respondents. Eight percent of respondents also reported they *experienced or observed repeated, extremely disrespectful or unprofessional behavior in the workplace by a manager*, which is a decrease of 3% since 2017 (and 9% from 2015). This category remains the second most cited type of misconduct from the 2017 survey.

In contrast, the *GBES* reported that 30% of employees nationwide observed misconduct in the workplace. VCU’s significantly lower rate of 19% is a positive indicator of the VCU culture and of the *Ethics and Compliance Program’s* effectiveness.

**Reporting of Misconduct**

Reporting misconduct internally to VCU is the desired outcome for almost all organizations. Individuals reporting internally demonstrates existence of trust, a desire to have the organization self-correct, or provide clarity, and enables agility in responding and keeping costs related to addressing concerns down. The following charts illustrate the additional details provided by respondents who responded that they had experienced or observed misconduct in the last 12 months (19%).
### Did you voice your concern? ³

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>2015</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>2017</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>2019</td>
<td>62%</td>
<td>38%</td>
</tr>
</tbody>
</table>

³ This question was only asked if respondents replied “yes” or “I believe so but I can’t be certain” to “I directly experienced or observed a violation of laws, regulations or university policy in my office/department within the last 12 months.”

### If not, why didn’t you voice your concern? (n=119 or 6% of all respondents)

<table>
<thead>
<tr>
<th>Reason</th>
<th>2019</th>
<th>2017</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belief the concern would not be appropriately addressed</td>
<td>63%</td>
<td>47%</td>
<td>38%</td>
<td>43%</td>
</tr>
<tr>
<td>Fear of retaliation by a supervisor</td>
<td>43%</td>
<td>34%</td>
<td>24%</td>
<td>38%</td>
</tr>
<tr>
<td>Unaware of reporting options</td>
<td>24%</td>
<td>21%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Fear of retaliation by coworkers</td>
<td>19%</td>
<td>19%</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>Management already aware of the concern</td>
<td>20%</td>
<td>18%</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
<td>11%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Management in the area discourages reporting concerns</td>
<td>8%</td>
<td>12%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Someone else already reported the concern</td>
<td>9%</td>
<td>7%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Resolved before opportunity to speak up</td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Belief the concern would not be appropriately addressed: 63% (2019), 47% (2017), 38% (2015), 43% (2019)
Fear of retaliation by a supervisor: 43% (2019), 34% (2017), 24% (2015), 38% (2019)
Management already aware of the concern: 20% (2019), 18% (2017), 12% (2015), 18% (2019)
Other: 12% (2019), 11% (2017), 10% (2015), 10% (2019)
Management in the area discourages reporting concerns: 8% (2019), 12% (2017), 12% (2015), 8% (2019)
Someone else already reported the concern: 9% (2019), 7% (2017), 13% (2015), 12% (2019)
Resolved before opportunity to speak up: 7% (2019), 9% (2017), 9% (2015), 3% (2019)
Sixty-two percent of respondents reported the misconduct they experienced or observed in the last 12 months. This is a slight increase of 2% from the 2017 survey, which is less than the benchmark reporting rate of 76% noted in the GBES.

This cycle, belief that a reported concern would not be appropriately addressed (63% or n=75) was cited as the number one reason employees chose not to report their concerns (up from 47% in 2017 and 61% in 2015). For external context, the GBES found 69% did not report concerns because they believed “corrective action would not be taken.” At VCU, this belief was followed by fear of retaliation by a supervisor at 38% (n=45) and unaware of reporting options at 24% (n=28).

Of those who observed misconduct at VCU (n=314), a majority of this sub-population (62% or n=195) chose to report their concern, which remains notably lower than the 79% benchmark in the GBES. The fact that these topics have been covered in annual Integrity & Compliance Education since 2013 indicates that other approaches are necessary to reduce the perception that concerns are not appropriately addressed.

Managers would likely benefit from the following suggested strategies:

- Stand-alone training on handling reported concerns
- Further incentives to consistently put the training they received on this topic into practice

Lastly, the ICO will continue to communicate reporting options and the university’s anti-retaliation policy and will begin more direct communication about results from reported incidents; however, additional messaging from leaders and managers promotes awareness and understanding.

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Organizational Justice

Organizational justice refers generally to employee perceptions of fairness in the workplace (more specifically related to outcomes, processes, information and treatment). The three distinct dimensions of organizational justice are procedural, distributive and interactional. This survey section aimed to measure satisfaction of issue response and resolution and inquired as to feelings and perceptions related to conduct in the workplace after voicing concerns, supporting procedural and interactional justice dimensions (the latter being a heavily weighted factor in assessing culture). Measuring and monitoring these components is critical to understanding more about what is, or is not, reported and why.
Adequate Training to Support Employees

Feeling prepared and supported by the university is critical for managers if they are expected to address employee concerns appropriately. Training on how to best manage and support employees in our environment, and in line with core values, is one key indicator of sufficient support and has been added this year to measure how the specific group of management feels about being in their role.

As a manager, I have received adequate training to successfully manage and support my employees.

While the majority of managers felt they received adequate training to successfully carry out their management responsibilities, a quarter responded that this type of support is lacking at VCU. The ICO is already working with compliance partners throughout the university, including HR, to provide additional training and resources to managers. This metric is expected to trend positive as a result.

Appropriateness of Resolution and Follow-up

Fair and consistent corrective action in response to reported concerns is a foundational element to an effective ethics and compliance program. Employee perception that reported concerns are addressed appropriately also drives propensity to voice concerns and encourage others to do so, and thus is a key indicator of an ethical workplace culture. The following charts illustrate perceptions of the 62% of respondents (n=195) who reported concerns over the last 12 months.
Was the matter properly resolved? (n=195 or 12% of all respondents)

Of those individuals who reported misconduct, 31% of this population felt the matter was fully or partially resolved, which is a 9% decrease from the 2017 survey. It is suspected that the unsatisfactory and unsure rates are likely influenced by limited details of the resolution being communicated when related to personnel actions.

Little or no follow-up is also a contributor, indicating there is an opportunity for additional education on appropriate response to employees by management when concerns are reported. Since, the 2017 survey, new employee orientation, annual Integrity & Compliance Education and the Code of Conduct were all updated to reflect best practices in handling concerns; however, there was no significant increase in positive impact via this year’s survey. This may illustrate a greater need for macro-communications; additional manager training to bolster environments conducive to soliciting and receiving individual level feedback; measuring and incentivizing appropriate handling of concerns; and ways to demonstrate and reward a commitment to accountability.

Perceptions of Retaliation in Response to Voicing Concerns

When employees voice concerns, managers become aware of issues, creating opportunities for early intervention with the desired result of higher employee satisfaction and engagement and lower cost to the organization. When employees perceive retaliation as a response to speaking up, this is detrimental to the culture, as employees often learn to not report future incidents and likely share negative experiences with others. For these reasons, the 62% of respondents (n=195) who did report concerns were asked more detailed questions. This cohort was asked whether they felt they experienced any type of retaliation for speaking up and if they responded yes, they were asked from where the perception manifested.
Do you feel that you experienced any type of retaliation for speaking up? (n=195 or 12% of all respondents)

Please describe the retaliation you may have experienced as a result of speaking up. (n=68 or 35% of respondents who voiced a concern)

Thirty-five percent of respondents who voiced concerns felt they were retaliated against for speaking up (n=68). For comparison, the GBES found that 53% of respondents felt they were retaliated against nationwide. At VCU, the most common type of retaliation described was a manager ignoring or treating an employee differently (57%), followed by manager/management excluding employees from decisions and work activities (53%). This data suggests that managers would benefit from increased training on
Ethical Culture & Perceptions Assessment

avoiding retaliation and the appearance of retaliation. As noted in the *Reporting of Misconduct* section above, this topic was highlighted in annual Integrity & Compliance Education and the Code of Conduct. This education, in combination with planned messaging over the next year, is expected to positively impact these metrics between now and the 2019 survey.

The Global Business Ethics Survey also found the following retaliation trends, which are helpful to identify when it usually occurs and what environmental factors impact the likelihood of it occurring:

![Retaliation Increases in Workplace Environments That Are Outcomes-Oriented (Performance Focused) Rather Than Process Oriented](image1)

**Figure 2: 2018 GBES**

![Time Elapsed Between Report and Retaliation](image2)

**Figure 3: 2018 GBES**

**Open Text Comments Analysis**

**Themes of Open Text Comments**

Employees had the opportunity to share comments related to an ethical and compliance environment at VCU in an open-ended text field. A total of 266 substantive comments were shared, more than double from 2017, representing 16% of survey respondents. General themes from these comments in comparison to the last two cycles are as follows:
About one-fifth of respondents either noted a positive attribute of VCU’s ethical culture, a concern about it or provided a suggestion/criticism, providing specific enhancements to consider.

More specific comments related to unethical leadership decisions and less accountability for higher-ranking employees remained consistent from last cycle however has markedly increased over the last two cycles; requests for training (usually related to managers) and management’s response to reported concerns were noted as needing improvement. General mentions of discrimination, diversity and inclusion and resources or support related concerns were also noted this year.
Conclusion & Recommendation

Proactive communication about expectations and our core values can have a profound impact on our ethical culture. As indicated in trend analysis of survey data, the Ethics and Compliance Program has reached a point of maturity where increased efforts by the ICO result in minor incremental advances. For this reason, manager involvement in directly messaging and modeling expectations and ethical decision-making, as well as routinely encouraging employees to speak up, is necessary to generate greater positive change. Benefits of ethical engagement by managers are proven to be effective. According to the GBES, when organizations prioritize integrity, employees are:

- Less likely to feel pressure to violate ethics standards
- Less likely to observe misconduct
- More likely to report misconduct they observe
- Less likely to experience retaliation for reporting

The GBES also revealed five management strategies that promote an ethical workplace culture, reducing risk for employees and organizations:

1. **MAKE ETHICS A LEADERSHIP PRIORITY**
   - Make discussion of values a regular part of meetings and communications.
   - Ensure that ethical conduct and leadership is a highlighted area in performance reviews at all levels of management.
   - Institute programs, e.g., case studies, to promote regular dialogue about values between supervisors and their reports.

2. **FOCUS ON ACHIEVING SUCCESS THE RIGHT WAY**
   - Evaluate goals to determine whether they are reasonably attainable without compromising organizational values and standards.
   - Develop a system for employees to give candid feedback about goals and their feasibility.
   - Examine performance review documents and processes to ensure that ethical conduct is a stated expectation, especially for promotion and advancement.
   - Create reward and incentive programs for ethical conduct.
<table>
<thead>
<tr>
<th>3</th>
<th>Be attuned to the impact of organizational change</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Be particularly mindful and proactive about communications during times of added stress.</td>
<td></td>
</tr>
<tr>
<td>&gt; Encourage managers to regularly check in with their direct reports, keeping them informed and creating a vehicle for dialogue should issues arise.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4</th>
<th>Nurture a speak up culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Create multiple formal and informal avenues for employees to present ideas and raise issues, whether they are business or ethics concerns.</td>
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<td>&gt; Respond in a timely manner to questions and concerns.</td>
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<td>&gt; Develop and publicize formal systems for checking in with employees who report misconduct, providing protection from retaliation.</td>
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<table>
<thead>
<tr>
<th>5</th>
<th>Be transparent</th>
</tr>
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<td>&gt; Foster an open, learning mindset by regularly addressing “What we’re doing well” and “What we’ve learned we need to do better.”</td>
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<td>&gt; Encourage leaders at all levels to discuss problems and learning that occurred as a result.</td>
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<tr>
<td>&gt; Communicate about issues and the steps the organization has taken to address problems, issues and ethical misconduct.</td>
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</tbody>
</table>
Survey Methodology

Methodology

The following key indicators of ethical culture were assessed:

- **Awareness of the Program and Resources**
  - 8 questions: Familiarity with the Integrity and Compliance Office, VCU's Ethics and Compliance Program, expectations and related resources

- **Perceptions of Employees and Environment**
  - 11 questions: Ethical perceptions of peers and leadership; and trust between managers and subordinates

- **Observing and Reporting Misconduct**
  - 10 questions: Directly observed misconduct, comfort level with reporting these incidents and perceived deterrents for reporting

- **Organizational Justice**
  - 3 questions: Perception of whether employees are held accountable

Survey results were benchmarked against prior year surveys conducted by the ICO as well as the most recent 2018 Global Business Ethics Survey (GBES)—a longitudinal, cross-sectional study of ethics in workplaces—conducted by the Ethics & Compliance Initiative (ECI).

Survey Format

The 2019 Ethical Culture & Perceptions Survey was comprised of 40 questions. A seven-point linear scale was used to measure familiarity (not at all to very familiar) and agreement (strongly disagree to strongly agree) with four as a neutral value. Percentages are reported in rounded whole numbers.

- Thirty-four questions covered ethical perceptions of our culture
- One open-ended text field was offered to collect any additional comments related to ethics and compliance (themes from these comments are shared at the end of this report)
- Five demographic questions allow for further analysis of perceptions based on department, employee type, years of service, etc.
Distribution and Response Rate

The survey was announced on Wednesday, March 20, 2019 through a broadcast email to all employees and closed on Friday, April 26, 2019. Employees had a total of 28 business days to participate in the anonymous, online survey. Reminders from senior leaders, managers and local HR were also prompted over this period.

This cycle’s response rate is 15% (1,618 respondents), which is a 48% decrease in the number of participants from the prior survey cycle (3,093 respondents). This is most likely attributable to a new limitation on broadcast emails (one per activity) and the number of other surveys distributed to the employee population shortly before or during this survey. For context, approximately 49% of recipients opened the broadcast email and 9% clicked on the survey link.

The incentive offered may also be a factor. In past years, a chance to win prizes such gift cards was advertised to encourage participation. This year, participation was incentivized by a donation to RamParty (VCU’s student food bank) proportional to the participation rate (every 1% participation = $10 donation). It is notable that feedback from the university community on this incentive was significantly positive. The ICO is considering several solutions to increase participation in the 2021 survey.

In summation, the results of this year’s survey are similar to the last cycle and remain useful indicators of ethical culture.
Appendix

Demographics

All employee types, major budget units, campus locations and years of service are represented in this year’s survey. Below is a breakdown of respondents based on these criteria.

The following best describes my job title or duties:

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Survey Respondents</th>
<th>VCU Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAP or Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hourly Staff</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I am in Senior Leadership:

<table>
<thead>
<tr>
<th>Survey Respondents</th>
<th>VCU Benchmark</th>
</tr>
</thead>
</table>

I am primarily located on the:

<table>
<thead>
<tr>
<th>Campus</th>
<th>Survey Respondents</th>
<th>VCU Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monroe Park Campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Center Campus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qatar Campus</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have been employed by VCU for:

<table>
<thead>
<tr>
<th>Years</th>
<th>Survey Respondents</th>
<th>VCU Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5 Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-10 Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11-20 Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 20 Years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
I am located in the following unit:

- Office of the Provost / School / College: 41%
- Health Sciences: 22%
- Administration: 17%
- Development and Alumni Relations: 4%
- All Other Areas: 3%

VCU Benchmark:
- Finance and Budget: 5%
- Research and Innovation: 4%
- University Relations: 4%
- Development and Alumni Relations: 3%

Survey Respondents

[Bar chart showing the distribution of locations across different units]
2019 Ethical Culture & Perceptions Assessment
Suggested Strategies

The following sections contain suggested strategies to improve VCU’s ethical culture organized by the following themes:

<table>
<thead>
<tr>
<th>Awareness of the Program and Resources</th>
<th>Perceptions of Employees and Environment</th>
<th>Observing and Reporting Misconduct</th>
<th>Organizational Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Familiarity with ethics and compliance related resources</td>
<td>• Perceptions of ethical conduct in the workplace</td>
<td>• Comfort-level with raising concerns</td>
<td>• Appropriate resolution and follow up</td>
</tr>
<tr>
<td>• Familiarity with VCU’s policies</td>
<td>• Trust between managers and their employees</td>
<td>• Observation of misconduct</td>
<td>• Perceptions of retaliation in response to voicing concerns</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reporting misconduct</td>
<td></td>
</tr>
</tbody>
</table>

### Awareness of the Program and Resources

In collaboration with senior leadership, the ICO will focus future communications on applications of the *Expectations of Ethical Conduct* policy and other related policies to increase awareness and application of these behavioral standards.

Area managers and others in leadership positions need to do the same to ensure measurable progress. Research has shown that communicating about the importance of ethics through real incidents and instances of addressing misconduct reinforces the significance of policies and holding employees accountable.

### Perceptions of Employees and Environment

Leadership is encouraged to weave in how VCU’s core values and mission statement apply when explaining, communicating or making decisions. This promotes transparency in the decision-making process and may help to counteract negative perceptions. This also strengthens the ethical tone from the top and exemplifies how organizational ethics fuel thought processes.
Managers need to encourage employees to speak up by:

- Showing great appreciation (whether with words or more tangible incentives like spot or bonus awards) when an employee speaks up regardless of whether the concern is substantiated (as long as it has some merit)
- Publicly acknowledging when issues were raised, praising this behavior and sharing the resolution during staff/department meetings

To address *perceptions* of misconduct, managers and leaders should implement the following strategies:

- Ensuring process transparency and explaining the basis, or “the why”, of decisions
- Respecting shared governance by seeking input from everyone impacted by a decision
- Routinely and directly asking if individuals have concerns, questions or feedback
- Using the above strategies as guidance, initiating conversations with those who may have an unintended impression or impact

Further, managers would likely benefit from:

- Stand-alone training on handling reported concerns
- Further incentives to consistently put the training they received on this topic into practice

The ICO will continue to communicate reporting options and the university’s anti-retaliation policy and will begin more direct communication about results from reported incidents; however, additional messaging from leaders and managers promotes awareness and understanding.

Managers need additional education on:

- Appropriate response to employees by management when concerns are reported
- Avoiding retaliation and the appearance of retaliation
- Ways to demonstrate and reward a commitment to accountability

The ICO is working with compliance partners throughout the university, including HR, to provide additional training and resources to managers.
The Ethics & Compliance Initiative’s *Global Business Ethics Survey* — the leading longitudinal, cross-sectional study of workplace conduct from the employee’s perspective — also revealed five management strategies that promote an ethical workplace culture, reducing risk for employees and organizations:

<p>| | |</p>
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<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>MAKE ETHICS A LEADERSHIP PRIORITY</strong></td>
</tr>
<tr>
<td></td>
<td>&gt; Make discussion of values a regular part of meetings and communications.</td>
</tr>
<tr>
<td></td>
<td>&gt; Ensure that ethical conduct and leadership is a highlighted area in performance reviews at all levels of management.</td>
</tr>
<tr>
<td></td>
<td>&gt; Institute programs, e.g., case studies, to promote regular dialogue about values between supervisors and their reports.</td>
</tr>
</tbody>
</table>

| **2** | **FOCUS ON ACHIEVING SUCCESS THE RIGHT WAY** |
|   | > Evaluate goals to determine whether they are reasonably attainable without compromising organizational values and standards. |
|   | > Develop a system for employees to give candid feedback about goals and their feasibility. |
|   | > Examine performance review documents and processes to ensure that ethical conduct is a stated expectation, especially for promotion and advancement. |
|   | > Create reward and incentive programs for ethical conduct. |

| **3** | **BE ATTUNED TO THE IMPACT OF ORGANIZATIONAL CHANGE** |
|   | > Be particularly mindful and proactive about communications during times of added stress. |
|   | > Encourage managers to regularly check in with their direct reports, keeping them informed and creating a vehicle for dialogue should issues arise. |

| **4** | **NURTURE A SPEAK UP CULTURE** |
|   | > Create multiple formal and informal avenues for employees to present ideas and raise issues, whether they are business or ethics concerns. |
|   | > Respond in a timely manner to questions and concerns. |
|   | > Develop and publicize formal systems for checking in with employees who report misconduct, providing protection from retaliation. |

| **5** | **BE TRANSPARENT** |
|   | > Foster an open, learning mindset by regularly addressing “What we’re doing well” and “What we’ve learned we need to do better.” |
|   | > Encourage leaders at all levels to discuss problems and learning that occurred as a result. |
|   | > Communicate about issues and the steps the organization has taken to address problems, issues and ethical misconduct. |
Virginia Commonwealth University
Proposed Organizational Change

Proposal
The School of Dentistry is seeking approval to reorganize the Department of Endodontics and the Department of Oral Diagnostic Sciences through a merger to establish the Department of Endodontics and Oral Diagnostic Sciences.

Overview
In 2018, the chair of the Department of Oral Diagnostic Sciences (ODS) commenced a phased retirement plan and the chair of the Department of Endodontics was appointed as interim chair of ODS while also remaining as chair of Endodontics. Between 2018 and 2019, the reorganization of the two departments was actively, openly, and thoroughly discussed among faculty and with the Dean. Meetings were held to discuss the benefits of and challenges to combining the two departments. The faculty within both departments reviewed academic units at peer institutions, discussed the administrative structure of the units, and reviewed and discussed the academic programs offered by both departments. Faculty also discussed current and future faculty research initiatives and potential collaboration of faculty resources. To obtain stakeholder input, meetings with staff and faculty were held to discuss the outcomes and challenges of combining the two departments. The purpose of the proposed change is establish one academic unit to be responsible for administration and oversight of all related academic and clinical programs. Combining two relatively small departments with similar disciplinary goals will result in efficiencies, unification of resources, and availability of additional resources.

Target Implementation Date
Immediate.

Impact on Existing Programs/Policies
There is no impact on existing programs and policies. No programs will be administered by the proposed Department of Endodontics and Oral Diagnostic Sciences.

Impact on Faculty
No faculty positions will be eliminated due to the proposed merger of the Department of Endodontics and the Department of Oral Diagnostic Sciences.

Funding
This organizational move entails minimal expenses for business cards.

Next Steps
April 30, 2020: University Committee on Academic Affairs and University Policies Meeting
May 7, 2020: University Council
May 18, 2020: President’s Cabinet Deadline
September 18, 2020: Board of Visitors
Executive Summary for Policy Retirement:
[Administrative and Professional Faculty and Faculty Holding Administrative Appointments]

Policy Type: Board of Visitors
Responsible Office: Office of the Provost and Senior Vice President for Academic Affairs
Draft Date: February 17, 2020
Initial Policy Approved: 07/20/1989
Current Revision Approved: 07/20/1989

Policy Retirement Process Tracking:
Respective Cabinet Member Approval to Retire Policy: 02/17/20 – Dr. Gail Hackett, Provost and Senior Vice President for Academic Affairs
Integrity & Compliance Office Review: 02/13/2020
President’s Cabinet Approval to Retire Policy: 03/09/2020
Board of Visitors Approval to Retire Policy [BOV policies only]: MM/DD/YYYY

Why is this policy being retired?
☒ There is no longer a need to govern this topic. ☐ The topic is covered by another policy.

Justification for selection above:
The employee group of Administrative and Professional (A&P) faculty no longer exists as a result of the implementation of the Human Resources Re-Design plan (see Working @ VCU: “Great Place” HR Policies). All A&P faculty converted to other employee groups on 6-30-18 or when their current A&P contract expired, if the contract expiration was beyond 6-30-18. As of June 30, 2019, all employees in the A&P faculty group have been converted to either the new employee category of University and Academic Professional or to the category of Faculty (including those with the designation of Academic Administrator), or to another non-benefited category, as applicable. Accordingly, there is no need for an A&P policy.
Administrative and Professional Faculty and Faculty Holding Administrative Appointments

Responsible Office: Faculty Affairs, Office of the Provost
Current Approved Version: 07/20/1989
Policy Type: Board of Visitors

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- Preamble and Statement of Purpose
- Appointment
- Renewal, Reassignment, Resignation and Non-Renewal/Non-Continuation of Appointment
- Termination and Suspension from Employment
- Access to Other Appeal Procedures

Preamble and Statement of Purpose

The following policies and procedures apply to the appointment, renewal, non-renewal, suspension and termination of those Virginia Commonwealth University employees identified either as Administrative or Professional Faculty or Teaching and Research Faculty who hold administrative appointments. For purposes of this policy, all such individuals will be referred to collectively as 'A and P Faculty.' Individuals who hold the title of full Vice President shall not be covered by or subject to this policy as such persons serve at the pleasure of the President of Virginia Commonwealth University.

Many A and P Faculty are not actively participating members of the teaching or research faculty of the University. Many are designated as holding faculty appointments in a particular department without concurrent departmental assignments, although others may have actual teaching or research responsibilities. Some may hold tenure which may have accrued prior to or coincident with that individual's appointment to the administrative faculty position. Unless one holds tenure in an academic department, faculty status in an academic department will not afford rights or privileges independent of one's A and P Faculty appointment.

By way of illustration, A and P Faculty include Assistant and Associate Vice Presidents, Vice Provosts, Deans and Directors, Associate and Assistant Deans, Assistants to the President, Division and Department Heads, Academic Department Chairpersons, Library Faculty, selected Hospital Administrators, and certain others who hold positions in University Administration, the Athletic
Department, the Counseling Centers, the Student Affairs Division, and other administrative units of the University. This policy shall have no application to persons who hold State classified positions, hourly-wage positions, or to instructional/research faculty who do not hold administrative appointments.

Employment in an A and P Faculty position shall be for a specified term. This policy provides entitlement to certain notice of the impending non-renewal of one's contract of employment, or the non-continuation of one's administrative appointment or employment in an administrative capacity. However, nothing in this policy shall serve to create an expectation of continued employment or reemployment in an A and P Faculty position beyond the term of the contract under which the individual currently is employed. Moreover, and in accordance with the notice provisions set forth herein, any contract of employment which subsequently may be issued to an A and P Faculty member beyond one's current contract of employment may be for a shorter term and may be subject to different terms and conditions than one's current contract of employment.

**Appointment**

**A. Appointing Authority**

1. All appointments to and contracts of employment for A and P Faculty positions are made by authority of and are subject to the approval of the University's President and/or Board of Visitors.

2. Authority to initiate A and P Faculty appointments has been delegated by the Board of Visitors to the President. The President may, in turn, delegate certain authority to initiate A and P Faculty appointments to vice presidents and others. Appointments to A and P Faculty positions shall be conducted with the advice of, and in consultation with, the affected instructional and research faculty, and administrative and professional faculty, as appropriate, and as specified by policies and procedures of the particular school or administrative unit.

3. Appointments to A and P Faculty positions shall be contingent upon the availability of appropriated funds and the internal allocation of these funds.

**B. Faculty Rank and Tenure Status**

1. A and P Faculty positions are non-tenure track positions. One may not receive, accrue or otherwise acquire tenure in the A and P Faculty position. A and P Faculty who hold tenured or tenure track positions in academic departments are entitled and subject to all rights, privileges and obligations under the Virginia Commonwealth University Promotion and Tenure Policies and Procedures document (the 'Promotion and Tenure document') with respect to one's tenured or tenure track position only. Faculty, such as Department Chairpersons, who are tenured or are in tenure track positions and concurrently hold administrative appointments, may acquire or hold tenure in the tenure track position.

2. Those A and P Faculty who also are collateral faculty may be eligible and reviewed for promotion in accordance with the policies and procedures of their respective schools.

**C. Terms of Appointment**

1. Appointments to A and P Faculty positions shall be for the fixed term stated in the appointment letter or contract and normally shall be for a period not to exceed one year, but may be for a period of more than one year by specific authority of the President and/or Board of Visitors, in which case the extended term shall be specified in the contract of employment.

2. The initial term of appointment of academic department chairpersons, at the discretion of the dean of the school and in consultation with the Provost or Vice President for Health Sciences,
may be as long as three years.
3. An A and P Faculty member's contract of employment may be renewed, non-renewed, modified or terminated in accordance with the provisions of this policy.

D. Administrative Title and Job Responsibilities

Designation of appropriate administrative titles and job responsibilities for A and P Faculty shall be the responsibility of the appointing official or other appropriate administrative officials. Administrative titles and/or job responsibilities may be changed or reassigned within the period of the employment contract, commensurate with the needs of the University and/or the specific administrative unit. See also, III.B., infra.

Renewal, Reassignment, Resignation and Non-Renewal/Non-Continuation of Appointment

A. Renewal

1. A and P Faculty contracts may be renewed upon the recommendation of the appropriate appointing official, subject to the approval of the President and/or the Board of Visitors. In the case of department chairs, appropriate faculty shall be consulted prior to renewal as shall be specified by school or college policies.
2. Notification of renewal, together with notification of the salary for the ensuing fiscal year, normally will be transmitted to the A and P Faculty member prior to the commencement of the new contract year.
3. Since most A and P Faculty hold appointments on a twelve-month basis, from July 1, through June 30, notification of renewal usually will be transmitted in May or June of any given year, following the approval by the University's Board of Visitors of recommended salaries for continuing A and P Faculty.

B. Reassignment

Nothing in this policy shall be construed to prohibit, at any time during the term of an existing contract or any subsequent contract of employment, the reassignment of an A and P Faculty member to other duties, another position or combination of positions for which they are deemed by their supervisors to be qualified and which is consistent with the A and P Faculty member's training, background and experience.

C. Resignation

Resignation of one's employment shall be accomplished by giving notice of resignation, and requesting release from the current contract of employment, at least 30 calendar days in advance of the effective date of resignation. Said notification shall be directed to the A and P Faculty member's immediate supervisor with a copy to the person who signed the A and P Faculty member's appointment letter (or that person's successor), and shall be in writing.

D. Non-Renewal/Non-Continuation

1. Non-renewal or non-continuation of an A and P Faculty member's contract are distinguished from termination of or suspension from employment during a contract year. 'Non-renewal' means that the A and P Faculty member's appointment will end with the expiration of the term of the then-current contract of employment. 'Non-continuation' means that the A and P Faculty
member's employment/appointment will not continue beyond a specified date, which date would be subsequent to the expiration of the term of the then-current contract of employment. An A and P Faculty member whose contract is not to be renewed or continued beyond a specified date shall be notified in writing, pursuant to the provisions of this policy, that a new contract will not be forthcoming or that any subsequent contract of employment will be subject to different terms and conditions than the then-current contract of employment. The letter of notification will specify the different terms and conditions of the new contract.

2. A decision not to renew or continue the contract of a faculty member who holds an A and P appointment in an academic department or school within the University may be undertaken only after consultation with a representative group of faculty from within the affected department or school.

3. A and P Faculty who revert to teaching or research faculty status upon the termination of an A and P Faculty appointment will be subject to the University Statement on Reversion of Tenured Administrative Faculty to Teaching/Research Faculty whenever such policy is approved.

4. Depending upon the nature of the individual's employment with the University, non-renewal, non-continuation or modification of an A and P Faculty appointment may result in either the cessation of one's employment or the continuation of one's employment in a non-administrative position.

5. With respect to those individuals whose employment with the University will not terminate if the then-current A and P Faculty appointment is not renewed or not continued beyond a specified date, written notice shall be given by the appointing official or appropriate administrative official in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Number of years in the Current A and P Faculty Assignment</th>
<th>Minimum Notice Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>3 months before the effective date</td>
</tr>
<tr>
<td>At least 2 years but less than 5 years</td>
<td>4 months before the effective date</td>
</tr>
<tr>
<td>5 years or more</td>
<td>6 months before the effective date</td>
</tr>
</tbody>
</table>

6. If the non-renewal of one's A and P Faculty appointment or the non-continuation of that appointment beyond a specified date will result in the cessation of one's employment with the University, written notice shall be given by the appointing official or appropriate administrative official in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Number of years of Continuous Full-Time Employment at VCU</th>
<th>Minimum Notice Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>3 months before the effective date</td>
</tr>
<tr>
<td>Number of years of Continuous Full-Time Employment at VCU</td>
<td>Minimum Notice Requirement</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>At least 1 year but less than 3 years</td>
<td>6 months before the effective date</td>
</tr>
<tr>
<td>At least 3 years but less than 5 years</td>
<td>9 months before the effective date</td>
</tr>
<tr>
<td>5 years or more</td>
<td>12 months before the effective date</td>
</tr>
</tbody>
</table>

7. Exceptions to the notice requirements apply to the following positions:
   1. Positions dependent upon grant or contract funds and limited to the term of the grant or contract.
   2. Positions established for a project of specific duration.

An individual’s employment in such positions will terminate upon the expiration of the then-current contract of employment and/or the exhaustion of the funding source for the particular A and P Faculty appointment, whichever may occur first. Such individuals must be advised in the initial appointment letter or contract and any renewals thereof that employment will terminate upon the expiration of the then-current employment contract or the exhaustion of the funding source without further notice, and that continued employment would be dependent upon the issuance of a new contract of employment.

8. Periods of notice under this policy shall be computed backward from the effective date of the non-renewal or non-continuation. Shorter periods of notice may be necessitated in the event of a financial emergency consistent with the terms of the Financial Emergency Policy.

9. The requirement of notice of non-renewal or non-continuation of employment beyond a specified date exists only to assure that one’s A and P Faculty appointment/employment would not terminate without an appropriate period of notice. Accordingly, and by way of example, if an A and P Faculty member is entitled, under this policy, to a period of six months notice of non-renewal or non-continuation of employment/appointment, is currently employed under a contract of employment which expires on June 30 of a particular calendar year, and, on March 31 of that same year, is given notice of non-continuation of employment, that individual would be entitled, effective July 1 of that same year, to a new contract of employment of three (3) month's duration, with their employment/appointment in the A and P Faculty appointment terminating on September 30 of that same year, or six months from the date of the notice of non-continuation. However, if that same individual had received notice of non-renewal by December 31 of the preceding year, their existing contract would terminate on June 30 of the ensuing year and the individual would not receive a new contract. Similarly, an A and P Faculty member employed on a twelve-month contract commencing on July 1 of a given year, who is entitled, under this policy to a period of twelve month's notice of non-renewal/non-continuance, and who receives notice of non-continuation on November 7 of that same year, would be entitled to complete the remaining eight months under the then-current contract of employment and, effective July 1 of the succeeding year, would be issued a new contract of employment of four months duration, which would terminate on November 6 of that year.

10. Within five (5) working days from date of receipt of notice of non-renewal or non-continuance, an A and P Faculty member may request, in writing, a conference with their immediate superior.
to discuss the decision. Such conference shall be held within a reasonable time of receipt of the request.

11. A decision not to renew or not to continue the contract of an A and P Faculty member beyond a specified date shall, at the request of an A and P Faculty member, be reviewed by the appropriate vice president in consultation with the General Counsel's Office to ensure that the decision not to renew or continue was not made for a legally impermissible reason. If the non-renewal decision is made by a vice president, the administrative faculty member may request a review by the President. There shall be no further review or appeal within the University.

**Termination and Suspension from Employment**

A. Termination

Distinguished from the non-renewal of a contract, or non-continuation of employment beyond a specified date which is governed by Section II.D., supra, termination means the dismissal of any A and P Faculty member during the term of such individual's then-current contract of employment.

1. A and P Faculty may be terminated (dismissed) for any of the following reasons:
   a. Inability, unwillingness or failure to perform assigned duties and professional responsibilities at a satisfactory level.
   b. Violation(s) of University policies and/or procedures.
   c. Violation(s) of applicable administrative or professional ethics or responsibilities.
   d. Criminal convictions for acts or conduct occurring on or off the job which are related to job performance or are of such a nature that to continue the A and P Faculty member in the assigned position could constitute negligence in regard to the University's responsibilities to the public or to its students or other employees.

2. Termination of existing contracts of employment may also be required in the event of a financial or other emergency situation as determined by the Board of Visitors.

3. Termination of an A and P Faculty member's employment for cause does not require the advance notice required in the event of the non-renewal of a contract of employment or non-continuation of employment beyond a specified date (see Section III.D., supra).

4. In the event the appointing official or other appropriate supervisory administrative officer determines that termination of an A and P Faculty member's contract is warranted, the A and P Faculty member shall be advised, in writing, of the intended action and the reason(s) therefore, and shall be afforded the opportunity to respond, in writing and in person, to the intended action and the reasons upon which the intended action is based.

5. Termination by reason of inability, unwillingness or failure to perform one's duties and professional responsibilities at an acceptable level, may not be undertaken until the A and P Faculty member has been advised, in writing, of the deficiencies in their performance and afforded a reasonable opportunity (at least 30 days) to correct such identified deficiencies.

6. If the A and P Faculty member elects to respond to the notice of intended termination, and the response is deemed unsatisfactory, the appointing official or appropriate administrative officer should proceed to implement the termination action by notifying the A and P Faculty member, in writing, of the termination action and the effective date thereof. The written notification shall state specifically the reasons for the termination and shall inform the individual of the right to appeal the termination decision.
B. Suspension

Certain circumstances may warrant suspension from employment of an A and P Faculty member prior to or in lieu of termination. As used in this policy, suspension means the temporary cessation of employment. Suspension may be partial or total, short-term or long-term, and may be with or without pay.

1. A and P Faculty members may be suspended pending court action, official University investigation, or other official investigation by federal, state or local law enforcement agencies, or the University's Campus Police Department provided such action or official investigation involves alleged criminal violations that occur on or off the job and are plainly related to job performance or are of such a nature that to continue the employee in the assigned position could constitute negligence in regard to the University's responsibilities to the public, students, or other University employees.

2. Written notice of the suspension shall be afforded the A and P Faculty member, which notice shall include a statement of reasons for the action.

3. Upon completion of any University investigation, court action, or other official investigation, the A and P Faculty member either may be terminated or reinstated with or without full or partial back pay.

4. If termination is imposed following a suspension or if the A and P Faculty member is reinstated from suspension with less than full back pay, the action may be appealed pursuant to the appeal process in Section IV.C., infra.

C. Appeal Procedure

The following procedure is available to A and P Faculty members who have been terminated, or who have been reinstated from suspension with less than full back pay, and who wish to appeal the decision. The appeal procedure is not available to A and P Faculty members who have resigned, have been terminated because of a financial emergency (in which case the University Financial Emergency Policy shall apply), have been reinstated from suspension with full back pay, have been reassigned, or whose contracts have not been renewed or whose employment has not been continued beyond a specified date (see Section III.D. supra). If it is contended that one's resignation was coerced or that the non-renewal of one's contract was motivated by unlawful bias or animus based on race, gender, age, religion, national origin or handicapped status bias or animus, the affected A and P Faculty member shall, nevertheless, be entitled to a full appeal on the merits of such allegations only.

1. Notice of Appeal

Notice of appeal must be filed within twenty (20) working days from the date the termination notice or notice of reinstatement from suspension with less than full back pay was received. The written notice must be submitted to the Assistant Vice President for Human Resources. A copy of the notice of appeal must be sent to the University official who initiated the termination or suspension action.

2. Panel Hearing
   a. The President of the University shall, on or before the beginning of each fiscal year, select fifteen (15) persons from the University community to serve as members of an appeal panel board. The members of the board shall serve two-year terms. A list of the current appeal board members shall be maintained by the Department of Human Resources.
b. The Assistant Vice President for Human Resources shall be responsible for coordinating the selection and convening of a panel to hear the appeal.

c. The panel in an individual appeal shall consist of three members selected from the appeal board: one selected by the appellant, one selected by the University official who initiated the termination or suspension action, and a chairperson selected by the other two members. In the event the two selected panel members cannot agree on a third member, the selection of the third member will be made by the Assistant Vice President for Human Resources. Members of the appellant's department, school, administrative division, persons who report to the University official who initiated the termination or suspension action, relatives of either the appellant or the appointing officer, or any persons having direct involvement in the matters which form the substance of the appeal shall be ineligible to serve as a member of the appeal panel. The panel selection shall be completed within ten (10) working days from the receipt of the notice of appeal by the Department of Human Resources.

d. The panel hearing is intended to provide an informal and impartial review of the termination action. The hearings shall not be conducted as formal court proceedings. The panel shall consider all relevant evidence produced at the hearing.

e. Within ten (10) working days of its selection, the appeal panel will set the date (within 30 days), time and location of the hearing and the chairperson shall so notify the parties.

f. Both the appellant and the University official who initiated the action from which the appeal is taken may be accompanied at the hearing by a non-participating advisor. The advisor may be an attorney. The appellant shall have the burden of convincing the appeal panel, by clear and convincing evidence, that the termination decision or other action which forms the basis for the appeal was unwarranted or inappropriate in order to be entitled to relief. A tape recording of the proceedings will be kept and both parties may obtain an unedited copy.

g. The University's legal counsel will be available to provide consultation to the panel.

h. At the conclusion of the appeal hearing, the panel will deliberate in closed or executive session and reach a decision. No record shall be maintained of the closed session deliberations.

i. The majority vote of the panel shall constitute the panel's recommendation to the President. No later than five (5) working days from the conclusion of the hearing, the panel shall notify the Assistant Vice President for Human Resources of the panel's recommendation. The Assistant Vice President for Human Resources in turn shall notify (within 5 working days) all parties to the appeal and the President of the University.

j. The President shall notify the Assistant Vice President for Human Resources of their decision within ten (10) working days following receipt of the panel's recommendation. The decision will be communicated by the Assistant Vice President for Human Resources to all parties involved. If the President does not make a decision within the time provided, the panel's recommendation shall become final.

k. The decision of the President, or the decision of the panel in the event the President fails to act, shall be final and there may be no further appeal within the University.

Access to Other Appeal Procedures

Nothing in this document is to be construed as pre-empting individuals who fall within the scope of this policy from having access to the existing Faculty Grievance and Appeal Procedure or other mechanism for airing grievances with respect to matters other than non-renewal of contracts of employment or termination and suspension from employment, for which the processes specified herein apply.
Approved by the Executive Committee of the Board of Visitors: June 15, 1989 Ratified by the Board of Visitors: July 20, 1989.

Office of Institutional Research and Evaluation
I. PURPOSE

The primary purpose of the Academic and Health Affairs Committee is to provide oversight and make recommendations to the Board on all policies and plans regarding strategic enrollment management; academic quality; student matters; faculty matters; athletics; inclusive excellence and research consistent with the stated goals and objectives of the University and with its academic health center, including its affiliation with the Virginia Commonwealth University Health System Authority. Areas of responsibility include:

- Strategic enrollment management
  - Admissions
  - Retention
- Academic quality
  - Quality
  - Degrees, programs and structure
  - Trends
  - Strategic priorities
  - Academic program review
  - Online education
  - SACS/accreditation
- Student matters
  - Academic Success
  - Rights and Responsibilities
  - Concerns
  - Safety, satisfaction and engagement
- Faculty matters
  - Employment, rights and responsibilities, and professional development
  - Salaries
  - Recruitment and retention
  - Benchmarks and best practices
- Athletics
  - Academic success of student athletes and compliance with NCAA guidelines
- Research
- Inclusive Excellence
- Coordination of academic activities of health sciences schools and affiliation with the VCU Health System Authority

In addition, the Academic and Health Affairs Committee provides oversight and counsel toward the achievement of the mission, vision and goals of the Virginia Commonwealth University strategic plan.

The function of the Academic and Health Affairs Committee is primarily oversight. University management, under the auspices of the President, the Provost and Senior Vice President for Academic Affairs, and the Senior Vice President for Health Sciences and CEO of the VCU Health System, is responsible for the development, implementation, and measurement of success regarding these areas of responsibility, as well as the policies and procedures for maintaining these programs and activities.
II. COMPOSITION AND INDEPENDENCE
The Academic and Health Affairs Committee will be comprised of three or more Visitors. Each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or Academic and Health Affairs Committee members, would impair their independence from management and the University.

III. MEETINGS
The Academic and Health Affairs Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee chair should communicate with the Provost and Senior Vice President for Academic Affairs, and the Senior Vice President for Health Sciences and CEO of the VCU Health System prior to each Committee meeting to finalize the meeting agenda and review the matters to be discussed.

IV. RESPONSIBILITIES
In performing its oversight responsibilities, the Academic and Health Affairs Committee shall:

A. General
   1. Adopt a formal written charter that specifies the Committee’s scope of responsibility. The charter should be reviewed annually and updated as necessary.
   2. Maintain minutes of open session portions of meetings.
   3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
   4. Consistent with state law, the Committee may communicate in closed session (with or without members of senior management present) with general counsel and/or the executive director of assurance services present to discuss matters that the Committee or any of these groups believe should be discussed privately.

B. Academic degrees, programs and structure
   1. Review and approve all proposed new domestic and international undergraduate, graduate, and professional educational programs, research programs and proposed new degrees, and monitor existing programs.
   2. Review and approve proposals for the organization of the University's academic health center, including the affiliation between VCU and the Virginia Commonwealth University Health System Authority.
   3. Review proposals for the organization of the academic structure of the University.

C. Coordination of academic activities of health sciences schools and affiliation with the VCU Health System Authority
   1. Receive reports on the relationship and affiliation between the University and the Virginia Commonwealth University Health System Authority and other institutions, organizations, laboratories, and clinics involved in the University's academic health center, including reviewing program coordination between the Virginia Commonwealth University Health System Authority and academic and research programs.

D. Academic research activities
   1. Review and approve research policies deemed to require Board of Visitor action.
   2. Receive reports on research advances of faculty, interdisciplinary groups, and VCU institutes and centers.
   3. Receive reports on the relationship of research activities to local, regional, national, and international economic development.
4. Report annually on the state of the VCU research enterprise including the total research awards, expenditures, trends, and outlook.

E. Faculty and staff employment, rights and responsibilities, and professional development
   1. Review and approve policies governing the compensation, tenure, promotion, recruitment, retention, rights and responsibilities, and development of the faculty.
   2. Review and approve policies and programs on equal employment opportunity and affirmative action.
   3. Afford an opportunity for direct communication between Board members and members of the faculty.

F. Admissions and retention
   1. Review and approve policies governing the admission and retention of undergraduate, graduate and professional students to all divisions of the University.

G. Accreditation
   1. Review and approve policies and reports related to departmental, school, and institutional accreditation.

H. Academic Success of Students
   1. Review nominations and make the final selection of the recipient(s) of the Board of Visitors Award at a regularly scheduled meeting in the spring of each year.
   2. Review topical areas of interest related to the student experience.
   3. Review major fall and spring activities.
   4. Review and monitor student academic success.

I. Academic Success of Student Athletes
   1. Review and oversee matters relating to the intercollegiate athletic program.

J. Student Rights and Responsibilities
   1. Review matters (including approving policies) relating to student rights, responsibilities, conduct, concerns and discipline, including matters relating to the VCU Honor System, and Student Code of Conduct.
   2. Review and oversee matters relating to student government, and appropriate student participation in University governance.
   3. Review and oversee matters relating to student organizations and extracurricular activities.

K. Student Services
   1. Review and oversee matters relating to financial aid, housing services, counseling, student health, safety and other student services.
   2. Review and approve policies relating to student records.
   3. Review report on campus safety that provides awareness of federal reporting requirement, general overview of VCU safety-related statistics, and ongoing efforts to improve safety.

L. Student Communications
   1. Afford an opportunity for direct communication between Board members and students.

M. International Partnerships and Collaborations
   1. Review and approve international partnerships
## Virginia Commonwealth University
### Board of Visitors

### Academic and Health Affairs Committee Meeting Planner

<table>
<thead>
<tr>
<th>A=Annually; Q=Quarterly; AN=As Necessary</th>
<th>Frequency</th>
<th>Planned Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)</strong></td>
<td>A Q AN</td>
<td>Q1 Q2 Q3 Q4</td>
</tr>
<tr>
<td></td>
<td>Sep Dec Feb May</td>
<td></td>
</tr>
</tbody>
</table>

### A. General

1. Review, update, and approve Academic and Health Affairs Committee charter
   - Frequency: X
   - Planned Timing: X

2a. Approve minutes of previous meeting
   - Frequency: X
   - Planned Timing: X X X X X

2b. Maintain minutes of meetings
   - Frequency: X
   - Planned Timing: X X X X X

3. Authorize investigations into any matters within the Committee’s scope of responsibilities
   - Frequency: X

4. Report Committee actions to the Board of Visitors with recommendations deemed appropriate
   - Frequency: X
   - Planned Timing: X X X X X

5. Communicate in executive session, with general counsel
   - Frequency: X
   - Planned Timing: X X X X X

6. Review and approve Academic and Health Affairs Committee meeting planner for the upcoming year
   - Frequency: X
   - Planned Timing: X

7. Monitor student academic success.
   - Frequency: X
   - Planned Timing: X X X X X

### B. Academic degrees, programs and structure

1. Review and approve all proposed new domestic and international undergraduate, graduate, and professional educational programs, research programs and proposed new degrees, and monitor existing programs.
   - Frequency: X

2. Review and approve proposals for the organization of the University's academic health center, including the affiliation between VCU and the Virginia Commonwealth University Health System Authority.
   - Frequency: X

3. Review and approve proposals for the organization of the academic structure of the University.
   - Frequency: X

### C. Coordination of academic activities of health sciences schools and affiliation with the VCU Health System Authority

1. Receive reports on the relationship and affiliation between the University and the Virginia Commonwealth University Health System Authority and other institutions, organizations, laboratories, and clinics involved in the University's academic health center, including reviewing program coordination between the Virginia Commonwealth University Health System Authority and academic and research programs.
   - Frequency: X

### D. Academic research activities

1. Review and approve research policies deemed to require Board of Visitor action.
   - Frequency: X
<table>
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<td>Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)</td>
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<td>Receive reports on research advances of faculty, interdisciplinary groups, and VCU institutes and centers.</td>
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<td>Receive reports on the relationship of research activities to local, regional, national and international economic development.</td>
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<td>Report annually on the state of the VCU research enterprise including the total research awards, expenditures, trends, and outlook.</td>
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**E. Faculty and staff employment, rights and responsibilities, and professional development**

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<td>2.</td>
<td>Review and approve policies and programs on equal employment opportunity and affirmative action.</td>
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<tr>
<td>3.</td>
<td>Afford an opportunity for direct communication between Board members and members of the faculty.</td>
<td>X</td>
</tr>
<tr>
<td>4.</td>
<td>Afford an opportunity for direct communication between Board members and members of the staff.</td>
<td>X</td>
</tr>
</tbody>
</table>

**F. Admissions and retention**

<table>
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<tr>
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<th>Frequency</th>
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**G. Accreditation**

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**H. Academic Success of Students**

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<tbody>
<tr>
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<td>Review nominations and make the final selection of the recipient(s) of the Board of Visitors Award at a regularly scheduled meeting in the spring of each year.</td>
<td>X</td>
</tr>
<tr>
<td>2.</td>
<td>Review topical areas of interest related to the student experience and overall student engagement.</td>
<td>X</td>
</tr>
<tr>
<td>3.</td>
<td>Review major fall and spring activities.</td>
<td>X</td>
</tr>
<tr>
<td>4.</td>
<td>Review and monitor student academic success.</td>
<td></td>
</tr>
</tbody>
</table>

**I. Academic Success of Student Athletes**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Review and oversee matters relating to the intercollegiate athletic program.</td>
<td>X</td>
</tr>
</tbody>
</table>

**J. Student Rights and Responsibilities**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
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</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Review matters (including approving policies) relating to student rights, responsibilities, conduct, concerns and discipline, including matters relating to the VCU Honor System.</td>
<td></td>
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<tr>
<td>Frequency</td>
<td>Planned Timing</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td>Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)</td>
<td>A</td>
<td>Q</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep</td>
<td>Dec</td>
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<td>May</td>
</tr>
</tbody>
</table>

2. Review and oversee matters relating to student government, and appropriate student participation in University governance.

3. Review and oversee matters relating to student organizations and extracurricular activities.

4. 

**K. Student Services**

1. Review and oversee matters relating to financial aid, housing services, counseling, student health, and other student services

2. Review and approve policies relating to student records.

3. Review report on campus safety that provides awareness of federal reporting requirement, general overview of VCU safety-related statistics, and ongoing efforts to improve safety.

**L. Student Communications**

1. Afford an opportunity for direct communication between Board members and students.

**M. International Partnerships and Collaboration**

1. Review and approve international partnerships

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Revised: 8/5/2013 12:53 PM
Approved by BOV: Sept. 19. 2013
Revised: 03/11/2019
Approved by BOV: 03/22/2019
Academic and Health Affairs (AHAC) Charter
Oversight, Review, Approve policies

- **Enrollment**
  - Admissions
  - Retention

- **Academic Quality**
  - Degrees
  - Academic Programs
  - Online Education
  - SACS/Accreditation

- **Student Experience**
  - Academic Success
  - Rights and Responsibilities
  - Concerns
  - Safety, Satisfaction & Engagement

- **Faculty**
  - Rights & Responsibilities
  - Salaries
  - Recruitment
  - Retention

- **Other**
  - Athletics
  - Research
  - Inclusive Excellence
  - Health Science
Proposed AHAC Dashboard  
Sept 2020

1. Dashboard Goal: Reporting in six main categories addressing most Charter priorities
   - Enrollment, Student Success, Faculty, Academic Programs, Research, Health Science
   - Show performance trends over time
   - Benchmark against Virginia peers and Quest Peers

2. Virginia Peers are the doctoral - very high research activity (R1) institutions in the state

3. Quest Peers were selected from a set of broadly similar public universities
   - R1 Classification, Diversity, Urban
   - Academic medical centers, Health sciences schools

---

<table>
<thead>
<tr>
<th>Source: Quest for Distinction (full report)</th>
<th>VCU</th>
<th>U Alabama Birmingham</th>
<th>U Illinois Chicago</th>
<th>U of Louisville</th>
<th>U of SC Columbia</th>
<th>U of South Florida</th>
<th>U of Cincinnati</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total HC</td>
<td>36,862</td>
<td>19,455</td>
<td>20,301</td>
<td>23,000</td>
<td>30,549</td>
<td>46,348</td>
<td>35,005</td>
</tr>
<tr>
<td>UG Headcount % of Total</td>
<td>69%</td>
<td>64%</td>
<td>60%</td>
<td>73%</td>
<td>69%</td>
<td>75%</td>
<td>69%</td>
</tr>
<tr>
<td>% of under-represented minority students</td>
<td>21%</td>
<td>23%</td>
<td>22%</td>
<td>14%</td>
<td>14%</td>
<td>26%</td>
<td>11%</td>
</tr>
<tr>
<td>1st Year Retention</td>
<td>85%</td>
<td>80%</td>
<td>78%</td>
<td>78%</td>
<td>87%</td>
<td>88%</td>
<td>83.0%</td>
</tr>
<tr>
<td>6 Year Graduation Rate</td>
<td>49%</td>
<td>39.8%</td>
<td>48.1%</td>
<td>45.7%</td>
<td>66.7%</td>
<td>48.1%</td>
<td>54.9%</td>
</tr>
<tr>
<td>% STEM Degrees</td>
<td>13%</td>
<td>17%</td>
<td>24%</td>
<td>15%</td>
<td>14%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>% Health Science Degrees</td>
<td>11%</td>
<td>19%</td>
<td>7%</td>
<td>8%</td>
<td>4%</td>
<td>5%</td>
<td>18%</td>
</tr>
<tr>
<td>NSF R&amp;D Expend (mill)</td>
<td>$150,989</td>
<td>$431,732</td>
<td>$341,655</td>
<td>$146,874</td>
<td>$186,966</td>
<td>$309,456</td>
<td>$356,752</td>
</tr>
<tr>
<td>NSF Rank</td>
<td>73</td>
<td>24</td>
<td>37</td>
<td>75</td>
<td>69</td>
<td>44</td>
<td>34</td>
</tr>
</tbody>
</table>
Proposed AHAC Dashboard  
Sept 2020

From the six Quest Peers, we chose three that most closely resembled VCU:
- **University of Alabama – Birmingham**  
  Community Engaged Carnegie classification, 41% non-white, Urban, 20,902 total enrollment
- **University of South Carolina- Columbia**  
  Community Engaged Carnegie classification, 20% non-white, Urban, 34,731 total enrollment
- **University of South Florida - Main Campus**  
  Community Engaged Carnegie classification, 42% non-white, Urban, 43,540 total enrollment

We did not choose the other three because:
- **University of Cincinnati - Main Campus** (lower URM enrollment)
- **University of Louisville** (lower URM enrollment)
- **University of Illinois – Chicago** – 65% non-white; however, Illinois College of Medicine serves entire UI system
# Enrollment Metrics

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Fall Enrollment</strong></td>
<td>32,172</td>
<td>30,872</td>
<td>30,675</td>
<td>30,697</td>
<td>29,757</td>
<td>UVA 24,639</td>
<td>VTECH 34,683</td>
</tr>
<tr>
<td><strong>UG Fall Enrollment</strong></td>
<td>22,886</td>
<td>23,865</td>
<td>23,663</td>
<td>23,693</td>
<td>22,837</td>
<td>GMU 26,192</td>
<td>UAB 21,923</td>
</tr>
<tr>
<td><strong>Freshmen O/S Fall Enrollment</strong></td>
<td>NA 297 (7%)</td>
<td>240 (6%)</td>
<td>257 (6%)</td>
<td>285 (6%)</td>
<td>1,185 (31%)</td>
<td>USC-C 353 (15%)</td>
<td>USF 388 (18%)</td>
</tr>
<tr>
<td><strong>Online Fall Enrollment</strong></td>
<td>NA 840</td>
<td>939</td>
<td>1,048</td>
<td>819*</td>
<td>1,038</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Freshman in Top 10%</strong></td>
<td>15%</td>
<td>19%</td>
<td>19%</td>
<td>17%</td>
<td>17%</td>
<td>90%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>SAT 25th - 75th percentile</strong></td>
<td>960-1170</td>
<td>990-1200</td>
<td>980-1200</td>
<td>1076-1292</td>
<td>1070-1260</td>
<td>1330-1500</td>
<td>1180-1390</td>
</tr>
</tbody>
</table>

*UG non-degree online enr decreased by 257. UG degree-seeking decreased by 21. Only graduate enr increased by 49. For a total decrease of 229 from Fall 2018.

NOTE: IPEDS data does not include Qatar.
## Student Success Metrics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>IPEDS</th>
<th>IPEDS 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VCU</td>
<td>VA Institutions</td>
</tr>
<tr>
<td></td>
<td>Base Year 2009-2010 (FY 10)</td>
<td>2016-17 (FY 17)</td>
</tr>
<tr>
<td>Student Success</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 YR Retention Rate</td>
<td>83.5%</td>
<td>86.3%</td>
</tr>
<tr>
<td>4 YR Grad Rate</td>
<td>26.3%</td>
<td>44.5%</td>
</tr>
<tr>
<td>6 YR Grad Rate</td>
<td>50.1%</td>
<td>61.9%</td>
</tr>
<tr>
<td>6 YR Grad Rate (Prelim)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pell Recipients</td>
<td>NA</td>
<td>59.7%</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>VCU Internal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>URM 6 YR Grad Rate</td>
<td>51.5%</td>
<td>57.7%</td>
</tr>
<tr>
<td>Transfers 5 YR Grad Rate</td>
<td>57.1%</td>
<td>67.6%</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>First Destination Survey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UG Working or Continuing</td>
<td>NA</td>
<td>82%</td>
</tr>
<tr>
<td>Education after Graduation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR Working or Continuing</td>
<td>NA</td>
<td>88%</td>
</tr>
<tr>
<td>Education after Graduation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Data Set</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UG Student Debt at Graduation</td>
<td>NA</td>
<td>$31,919</td>
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</table>
## Faculty Metrics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>VCU Base Year 2009-2010 (FY 10)</th>
<th>VCU 2016-17 (FY 17)</th>
<th>VCU 2017-18 (FY 18)</th>
<th>VCU 2018-19 (FY 19)</th>
<th>VCU 2019-20 (FY 20)</th>
<th>VA Institutions</th>
<th>Peer Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty US News Ranking</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
<td>14.5</td>
<td>UVA</td>
<td>VTECH</td>
</tr>
<tr>
<td>UG Student-to-Faculty Ratio</td>
<td>18</td>
<td>18.8</td>
<td>18.4</td>
<td>17.7</td>
<td>17.6</td>
<td>14</td>
<td>16.8</td>
</tr>
<tr>
<td>Faculty Compensation Rank</td>
<td>89</td>
<td>167</td>
<td>178</td>
<td>170</td>
<td>184</td>
<td>33</td>
<td>48</td>
</tr>
<tr>
<td>IPEDS FT Instructional with Faculty Status</td>
<td>1,906</td>
<td>2,076</td>
<td>2,127</td>
<td>2,187</td>
<td>2,182</td>
<td>2,305</td>
<td>1,938</td>
</tr>
<tr>
<td>Minority FT Instructional with Faculty Status</td>
<td>329 (17.3%)</td>
<td>474 (22.8%)</td>
<td>511 (24.0%)</td>
<td>542 (24.8%)</td>
<td>543 (24.9%)</td>
<td>416 (18.0%)</td>
<td>390 (20.1%)</td>
</tr>
<tr>
<td>Faculty Turnover Rate</td>
<td>7.8%</td>
<td>8.0%</td>
<td>7.1%</td>
<td>7.8%</td>
<td>TBD (Dec 2020)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Faculty compensation rank is affected by VCU's average salary of $27K lower than other VA R1 peers.
FT Instructional with Faculty Status includes medical school employees.
### Academic Programs and Research Metrics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>VCU</th>
<th>VA Institutions</th>
<th>Peer Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Year 2009-2010 (FY 10)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2016-17 (FY 17)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2017-18 (FY 18)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2018-19 (FY 19)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2019-20 (FY 20)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2016-17</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2017-18</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>2018-19</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2019-20</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Academic Programs</th>
<th>US News Ranking</th>
<th>US News 2020 Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational expenditure per student</td>
<td>$21,959</td>
<td>$23,821</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 100 US News ranked programs</th>
<th>VCU Internal</th>
<th>UAB</th>
<th>USC-C</th>
<th>USF</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>NA</td>
<td>26</td>
<td>50</td>
<td>30</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>VCU Internal</th>
<th>HERD Survey FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of degree programs</td>
<td></td>
</tr>
<tr>
<td>NA</td>
<td>179</td>
</tr>
<tr>
<td>179</td>
<td>179</td>
</tr>
<tr>
<td>179</td>
<td>184</td>
</tr>
</tbody>
</table>

| No. of certificate programs|                   |
| NA                         | 41                |
| 42                         | 48                |
| 49                         |                   |

<table>
<thead>
<tr>
<th>Research</th>
<th>VCU Internal</th>
<th>HERD Survey FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Research Awards</td>
<td>NA</td>
<td>$153.0</td>
</tr>
<tr>
<td></td>
<td>$140.9</td>
<td>$159.8</td>
</tr>
<tr>
<td></td>
<td>TBD (Jan 2021)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal Research Expenditures (HERD)</th>
<th>VCU Internal</th>
<th>HERD Survey FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>$147.6</td>
<td>$140.8</td>
</tr>
<tr>
<td>$140.8</td>
<td>$142.3</td>
<td>$170.5</td>
</tr>
<tr>
<td>$250.2</td>
<td>$199.9</td>
<td>$69.5</td>
</tr>
<tr>
<td>$373.4</td>
<td>$94.1</td>
<td>$263.4</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Invention Disclosures</th>
<th>VCU Internal</th>
<th>HERD Survey FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>134</td>
<td>134</td>
</tr>
<tr>
<td>114</td>
<td>114</td>
<td></td>
</tr>
<tr>
<td>133</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
</tbody>
</table>

* UAB’s higher expenditure per students is a result of their high research expenditures (~ 3 times more than VCU) and relatively low student FTE (half as many as VCU).
Update on VCU Health Sciences

Peter Buckley, MD
Interim Senior VP, VCU Health Sciences and CEO, VCU Health System
Dean, School of Medicine, VCU
VCU Health Sciences Enrollment: Fall 2019*

- **779** residents

**Health Sciences total enrollment**
- **496**: Dentistry
- **948**: Health Professions
- **1,231**: Medicine
- **866**: Nursing
- **537**: Pharmacy
- **4,078** TOTAL

* Official enrollments for Fall 2020 will be available in October.
VCU Health Sciences Enrollment: Strong in Fall 2020* despite COVID!

**Fall 2019**
- 779 residents

**Health Sciences total enrollment**
- 496: Dentistry
- 948: Health Professions
- 1,231: Medicine
- 866: Nursing
- 537: Pharmacy
- 4,078 TOTAL

**Fall 2020**
- 768 residents

**Health Sciences total enrollment**
- 500: Dentistry
- 1005: Health Professions
- 1221: Medicine
- 867: Nursing
- 502: Pharmacy
- 4,095 TOTAL

* Official enrollments for Fall 2020 will be available in October.
COVID-19 pandemic return to learning

• Brought back close to 2,000 VCU Health Sciences professional students to classes and clinical placements during Summer 2020
  o Innovative, creative efforts successfully modified the environment for practical labs and simulation activities
  o Reopened the dental clinic and welcomed learners safely to this important environment
  o Outstanding collaboration between VCU & VCU Health System infection prevention teams
  o Highly coordinated communication efforts across schools

  … VCU Health Sciences kept learners on-track and largely on-time when peer schools and colleges were stymied …essential learning activities to meet licensure requirements and for accreditation of degree programs!

• Our pioneering health sciences professional students provided lessons learned that could be operationalized across the VCU environment to reopen
  o Approx. 4,000 health sciences professional students are back to their learnings for Fall 2020
  o Relatively low confirmed COVID-19 positive cases among VCU health sciences professional students … great professionalism and infection prevention by our students!
Diversity, Equity and Inclusion advances in the health sciences

• Aligning work across the Health Sciences
• Established a VCU Health Sciences Diversity, Equity and Inclusion Action Framework
  – Engage students, faculty, staff and alumni in a coordinated way
  – Diversity Liaisons for each school/college to address local opportunities
  – Shared educational opportunities to address health disparities and social justice

• Schools and college:
  – Enriching and elevating their diversity, equity and inclusion leadership
  – Engaged in on-going conversations and learnings with their students
  – Revisiting how social justice is integrated into curriculums
Our incoming Sr VP for VCU Health Sciences and CEO for the VCU Health System …
Division of
Strategic Enrollment Management and Student Success

Board of Visitors
Enrollment Report
Census I

Tomikia P. LeGrande, Ed.D.
Vice President for Strategy, Enrollment Management and Student Success
ADMISSIONS AND ENROLLMENT HIGHLIGHTS
FALL 2020
AS OF CENSUS I

New Students
- The size of VCU’s fall 2020 freshman class will be about 3,800, with an acceptance rate of 82%.

- The fall 2020 freshman class has a slightly higher middle 50% range of high school GPAs (3.38-4.06), as compared to fall 2019 (3.35-4.02). The SAT middle 50% range (1060-1250) is similar, but slightly broader than fall 2019 (1080-1250).

- Based on current enrollments, some freshman class statistics are:
  - 58% minority students, which is a slight increase over last year (57%)
  - Top 5 feeder counties, comprising 49% of the freshman class:
    - Fairfax County
    - Henrico County
    - Chesterfield County
    - Prince William County
    - Loudoun County
  - 11% out-of-state, as compared to 10% last year
  - 2% international students
  - 33% first-generation students, which is a slight increase over last year (31%)
  - 31% pell eligible

- VCU will enroll approximately 1,550 transfer students, with 67% coming from the Virginia Community College System.

Student Success
- VCU anticipates the four and six year graduation rates of 43.1% and 66.3% respectively.

Overall Enrollment
- Fall 2020 degree-seeking graduate enrollments will be approximately 4,900, or 17% of the total enrollment. First professional enrollments will be about 1,550.

- Overall, VCU’s total headcount enrollment for fall 2020 is estimated to be approximately 29,500 compared to 30,103 for fall 2019.
### I. UNIVERSITY ENROLLMENT

**Figure 1: Fall 2019 and Fall 2020 Enrollments**

<table>
<thead>
<tr>
<th></th>
<th>Headcount</th>
<th></th>
<th>FTEa</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fall 2019</td>
<td>Fall 2020*</td>
<td>Fall 2019</td>
<td>Fall 2020*</td>
</tr>
<tr>
<td><strong>On-campus</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>22,152</td>
<td>21,470</td>
<td>20,434</td>
<td>19,665</td>
</tr>
<tr>
<td>New</td>
<td>6,106</td>
<td>5,396</td>
<td>5,905</td>
<td>5,180</td>
</tr>
<tr>
<td>Continuing</td>
<td>16,046</td>
<td>16,074</td>
<td>14,529</td>
<td>14,485</td>
</tr>
<tr>
<td>Non-degree Seeking Undergraduate</td>
<td>447</td>
<td>313</td>
<td>240</td>
<td>137</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master’s</td>
<td>2,596</td>
<td>2,518</td>
<td>2,135</td>
<td>2,083</td>
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<tr>
<td>Doctoral</td>
<td>1,671</td>
<td>1,662</td>
<td>1,482</td>
<td>1,440</td>
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<tr>
<td>Post-Master’s Certificate</td>
<td>33</td>
<td>46</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Non-degree Seeking Graduate</td>
<td>442</td>
<td>438</td>
<td>251</td>
<td>238</td>
</tr>
<tr>
<td><strong>First Professional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dentistry</td>
<td>411</td>
<td>410</td>
<td>411</td>
<td>410</td>
</tr>
<tr>
<td>Medicine</td>
<td>758</td>
<td>741</td>
<td>758</td>
<td>741</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>470</td>
<td>437</td>
<td>634</td>
<td>618</td>
</tr>
<tr>
<td><strong>Total On-campus</strong></td>
<td>28,980</td>
<td>28,035</td>
<td>26,359</td>
<td>25,353</td>
</tr>
<tr>
<td><strong>Off-campus</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>116</td>
<td>114</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Non-degree Seeking Undergraduate</td>
<td>457</td>
<td>101</td>
<td>98</td>
<td>28</td>
</tr>
<tr>
<td>Graduate</td>
<td>380</td>
<td>730</td>
<td>211</td>
<td>436</td>
</tr>
<tr>
<td>Non-degree Seeking Graduate</td>
<td>170</td>
<td>113</td>
<td>31</td>
<td>43</td>
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<tr>
<td><strong>Total Off-campus</strong></td>
<td>1,123</td>
<td>1,058</td>
<td>383</td>
<td>544</td>
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<tr>
<td><strong>Total Enrollment</strong></td>
<td>30,103</td>
<td>29,093</td>
<td>26,742</td>
<td>25,897</td>
</tr>
</tbody>
</table>

*aFTEs are calculated by dividing the total number of student credit hours by 15 for undergraduate and first professional students, and 12 for graduate students.
*As of Census I
II. OUT-OF-STATE DEGREE-SEEKING STUDENT ENROLLMENT

Figure 2: Undergraduate Out-of-State Enrollment

Figure 3: Graduate and First Professional Out-of-State Enrollment

*As of Census I
III. UNDERGRADUATE ENROLLMENT

Figure 4: Fall 2007 to Fall 2020 Undergraduate Headcount and FTE Enrollments

*As of Census I

Note: FTEs are calculated by dividing the total number of student credit hours by 15.
Figure 5: Fall 2019 and Fall 2020 Undergraduate Enrollments By School

<table>
<thead>
<tr>
<th></th>
<th>Fall 2019</th>
<th></th>
<th></th>
<th>Fall 2020*</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New</td>
<td>Continuing</td>
<td>Total</td>
<td>New</td>
<td>Continuing</td>
<td>Total</td>
</tr>
<tr>
<td>Engineering</td>
<td>467</td>
<td>1,297</td>
<td>1,764</td>
<td>457</td>
<td>1,291</td>
<td>1,748</td>
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<tr>
<td>Health Professions</td>
<td>27</td>
<td>195</td>
<td>222</td>
<td>45</td>
<td>185</td>
<td>230</td>
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<td>Humanities and Sciences</td>
<td>3,545</td>
<td>8,131</td>
<td>11,676</td>
<td>2,910</td>
<td>8,021</td>
<td>10,931</td>
</tr>
<tr>
<td>LD Wilder School</td>
<td>225</td>
<td>782</td>
<td>1,007</td>
<td>181</td>
<td>769</td>
<td>950</td>
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<td>School of Business</td>
<td>681</td>
<td>2,123</td>
<td>2,804</td>
<td>656</td>
<td>2,078</td>
<td>2,734</td>
</tr>
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<td>School of Dentistry</td>
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<td>22</td>
<td>29</td>
<td>11</td>
<td>21</td>
<td>32</td>
</tr>
<tr>
<td>School of Education</td>
<td>6</td>
<td>7</td>
<td>13</td>
<td>65</td>
<td>94</td>
<td>159</td>
</tr>
<tr>
<td>School of Nursing</td>
<td>36</td>
<td>494</td>
<td>530</td>
<td>32</td>
<td>502</td>
<td>534</td>
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<tr>
<td>School of Social Work</td>
<td>91</td>
<td>257</td>
<td>348</td>
<td>86</td>
<td>256</td>
<td>342</td>
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<tr>
<td>School of the Arts</td>
<td>863</td>
<td>2,025</td>
<td>2,888</td>
<td>817</td>
<td>2,109</td>
<td>2,926</td>
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<tr>
<td>School of the Arts – Qatar</td>
<td>69</td>
<td>244</td>
<td>313</td>
<td>76</td>
<td>244</td>
<td>320</td>
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<tr>
<td>University College</td>
<td>13</td>
<td>265</td>
<td>278</td>
<td>12</td>
<td>303</td>
<td>315</td>
</tr>
<tr>
<td>VCU Life Sciences</td>
<td>103</td>
<td>293</td>
<td>396</td>
<td>74</td>
<td>289</td>
<td>363</td>
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<tr>
<td>Total</td>
<td>6,133</td>
<td>16,135</td>
<td>22,268</td>
<td>5,422</td>
<td>16,162</td>
<td>21,584</td>
</tr>
</tbody>
</table>

*As of Census I
### IV. GRADUATE ENROLLMENT

**Figure 6: Fall 2019 and Fall 2020 Master's Enrollments By School**

<table>
<thead>
<tr>
<th>School</th>
<th>Fall 2019</th>
<th></th>
<th></th>
<th>Fall 2020*</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New</td>
<td>Continues</td>
<td>Total</td>
<td>New</td>
<td>Continues</td>
<td>Total</td>
</tr>
<tr>
<td>Engineering</td>
<td>29</td>
<td>70</td>
<td>99</td>
<td>29</td>
<td>96</td>
<td>125</td>
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<tr>
<td>Graduate School</td>
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<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Health Professions</td>
<td>80</td>
<td>143</td>
<td>223</td>
<td>119</td>
<td>134</td>
<td>253</td>
</tr>
<tr>
<td>Humanities and Sciences</td>
<td>92</td>
<td>127</td>
<td>219</td>
<td>87</td>
<td>136</td>
<td>223</td>
</tr>
<tr>
<td>LD Wilder School</td>
<td>62</td>
<td>80</td>
<td>142</td>
<td>98</td>
<td>106</td>
<td>204</td>
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*As of Census I
### Figure 7: Fall 2019 and Fall 2020 Doctoral Enrollments By School

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<td>46</td>
<td>156</td>
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<td>60</td>
<td>18</td>
<td>41</td>
<td>59</td>
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<tr>
<td>School of Pharmacy</td>
<td>18</td>
<td>39</td>
<td>57</td>
<td>7</td>
<td>51</td>
<td>58</td>
</tr>
<tr>
<td>School of Social Work</td>
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<td>3</td>
<td>15</td>
<td>18</td>
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<td>47</td>
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*As of Census I
V. RACE AND ETHNICITY

Figure 8: Freshman Enrollments by Race/Ethnicity

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<td>African American</td>
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<td>801</td>
<td>888</td>
<td>891</td>
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<td>19.1%</td>
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<tr>
<td>American Indian / Alaskan Native</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>9</td>
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<td>0.2%</td>
<td>0.2%</td>
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<td>0.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Asian</td>
<td>598</td>
<td>647</td>
<td>756</td>
<td>710</td>
<td>651</td>
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<td>15.4%</td>
<td>16.4%</td>
<td>15.9%</td>
<td>17.0%</td>
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<tr>
<td>Hawaiian / Pacific Islander</td>
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<td>4</td>
<td>1</td>
<td>0</td>
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<td>0.0%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>381</td>
<td>433</td>
<td>520</td>
<td>544</td>
<td>482</td>
<td>9.0%</td>
<td>10.3%</td>
<td>11.3%</td>
<td>12.2%</td>
<td>12.6%</td>
</tr>
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<td>International</td>
<td>114</td>
<td>98</td>
<td>110</td>
<td>79</td>
<td>66</td>
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<td>2.3%</td>
<td>2.4%</td>
<td>1.8%</td>
<td>1.7%</td>
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<tr>
<td>Not Reported</td>
<td>140</td>
<td>114</td>
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<td>90</td>
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<td>2.7%</td>
<td>2.4%</td>
<td>2.0%</td>
<td>1.7%</td>
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<td>Two or More Races</td>
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<td>352</td>
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<td>7.7%</td>
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<td>8.4%</td>
</tr>
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<td>1,855</td>
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<td>41.6%</td>
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<td>100%</td>
<td>100%</td>
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*As of Census I

Figure 9: University Enrollments by Race/Ethnicity

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<td>5,382</td>
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<td>17.1%</td>
<td>17.3%</td>
<td>17.3%</td>
<td>18.0%</td>
</tr>
<tr>
<td>American Indian / Alaskan Native</td>
<td>79</td>
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<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.1%</td>
</tr>
<tr>
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<td>3,892</td>
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<td>12.5%</td>
<td>13.0%</td>
<td>13.2%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Hawaiian/Pacific Islander</td>
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<td>3.4%</td>
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<td>4.0%</td>
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<td>4.8%</td>
<td>4.7%</td>
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<td>6.2%</td>
<td>6.5%</td>
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*As of Census I
VI. TRANSFER STUDENTS

**Figure 10: Transfers**

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<td>1,334</td>
<td>1,411</td>
<td>1,573</td>
<td>1,453</td>
<td>1,516</td>
<td>1,310</td>
<td>1,221</td>
<td>1,161</td>
<td>1,068</td>
</tr>
<tr>
<td>Other Virginia Institutions</td>
<td>340</td>
<td>306</td>
<td>312</td>
<td>343</td>
<td>268</td>
<td>275</td>
<td>295</td>
<td>252</td>
<td>246</td>
<td>226</td>
</tr>
<tr>
<td>Non-Virginia Institutions</td>
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<td>381</td>
<td>372</td>
<td>371</td>
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<td>278</td>
<td>306</td>
<td>235</td>
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*As of Census I

**Figure 11: Top Feeder VCCS Institutions**

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<td>379</td>
<td>361</td>
<td>327</td>
<td>287</td>
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<td>237</td>
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<td>85</td>
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<td>89</td>
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<td>1,573</td>
<td>1,453</td>
<td>1,516</td>
<td>1,310</td>
<td>1,221</td>
<td>1,161</td>
<td>1,068</td>
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</table>

*As of Census I
VII. FRESHMAN PROFILE

Figure 12: Freshman Class Profile

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</thead>
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<td>4,600</td>
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<td>3.19-</td>
<td>3.29-</td>
<td>3.29-</td>
<td>3.28-</td>
<td>3.30-</td>
<td>3.30-</td>
<td>3.30-</td>
<td>3.34-</td>
<td>3.35-</td>
<td>3.38-</td>
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<tr>
<td></td>
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<td>3.88</td>
<td>3.90</td>
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<td>3.95</td>
<td>3.98</td>
<td>4.02</td>
<td>4.06</td>
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<tr>
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<td>1010-</td>
<td>1010-</td>
<td>1000-</td>
<td>990-</td>
<td>1070-</td>
<td>1070-</td>
<td>1080-</td>
<td>1060-</td>
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<td>518</td>
<td>431</td>
<td>518</td>
<td>477</td>
<td>389</td>
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<td>445</td>
</tr>
<tr>
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<td>45%</td>
<td>44%</td>
<td>46%</td>
<td>46%</td>
<td>49%</td>
<td>50%</td>
<td>53%</td>
<td>55%</td>
<td>57%</td>
<td>58%</td>
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<td>N/A</td>
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<td>33%</td>
<td>35%</td>
<td>33%</td>
<td>33%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>International</td>
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<td>138</td>
<td>125</td>
<td>111</td>
<td>119</td>
<td>114</td>
<td>98</td>
<td>110</td>
<td>90</td>
<td>66</td>
</tr>
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*As of Census I
**VIII. FIRST GENERATION FIRST-TIME FRESHMEN**

*Figure 13: First Generation Freshmen By Race / Ethnicity*

<table>
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<th></th>
<th>Fall 2018 Number</th>
<th>Fall 2019 Number</th>
<th>Fall 2020* Number</th>
<th>Fall 2018 Pct. of Total</th>
<th>Fall 2019 Pct. of Total</th>
<th>Fall 2020* Pct. of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>400</td>
<td>375</td>
<td>362</td>
<td>45.0%</td>
<td>42.0%</td>
<td>46.9%</td>
</tr>
<tr>
<td>American Indian /</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
<td>11.1%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Alaskan Native</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>245</td>
<td>224</td>
<td>209</td>
<td>32.4%</td>
<td>31.5%</td>
<td>32.1%</td>
</tr>
<tr>
<td>Hawaiian/Pac Islander</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>280</td>
<td>283</td>
<td>254</td>
<td>53.8%</td>
<td>52.0%</td>
<td>52.6%</td>
</tr>
<tr>
<td>International</td>
<td>34</td>
<td>14</td>
<td>23</td>
<td>30.9%</td>
<td>17.7%</td>
<td>34.8%</td>
</tr>
<tr>
<td>Not Reported</td>
<td>10</td>
<td>9</td>
<td>14</td>
<td>9.0%</td>
<td>10.0%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>128</td>
<td>115</td>
<td>91</td>
<td>36.3%</td>
<td>30.3%</td>
<td>28.3%</td>
</tr>
<tr>
<td>White</td>
<td>417</td>
<td>364</td>
<td>301</td>
<td>22.4%</td>
<td>20.7%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1,514</td>
<td>1,385</td>
<td>1,255</td>
<td>32.9%</td>
<td>31.0%</td>
<td>32.7%</td>
</tr>
</tbody>
</table>

*As of Census I*
IX. FIRST-TIME FRESHMAN RETENTION AND GRADUATION RATES

One-year Retention Rate

Two-year Retention Rate

Four-year Graduation Rate

Six-year Graduation Rate

(Most recent rates are estimated and are not yet final)
X. DEGREES AND CERTIFICATES AWARDED

<table>
<thead>
<tr>
<th>Year</th>
<th>Baccalaureate</th>
<th>Master's</th>
<th>Doctoral</th>
<th>First Professional</th>
<th>Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>3,322</td>
<td>1,478</td>
<td>191</td>
<td>357</td>
<td>253</td>
</tr>
<tr>
<td>2007-08</td>
<td>3,572</td>
<td>1,542</td>
<td>252</td>
<td>397</td>
<td>297</td>
</tr>
<tr>
<td>2008-09</td>
<td>3,726</td>
<td>1,556</td>
<td>227</td>
<td>395</td>
<td>308</td>
</tr>
<tr>
<td>2009-10</td>
<td>4,033</td>
<td>1,721</td>
<td>280</td>
<td>407</td>
<td>303</td>
</tr>
<tr>
<td>2010-11</td>
<td>4,379</td>
<td>1,769</td>
<td>329</td>
<td>401</td>
<td>314</td>
</tr>
<tr>
<td>2011-12</td>
<td>4,666</td>
<td>1,740</td>
<td>333</td>
<td>415</td>
<td>308</td>
</tr>
<tr>
<td>2012-13</td>
<td>4,688</td>
<td>1,658</td>
<td>324</td>
<td>434</td>
<td>308</td>
</tr>
<tr>
<td>2013-14</td>
<td>4,786</td>
<td>1,611</td>
<td>329</td>
<td>420</td>
<td>268</td>
</tr>
<tr>
<td>2014-15</td>
<td>5,043</td>
<td>1,563</td>
<td>328</td>
<td>432</td>
<td>304</td>
</tr>
<tr>
<td>2015-16</td>
<td>5,219</td>
<td>1,557</td>
<td>306</td>
<td>412</td>
<td>357</td>
</tr>
<tr>
<td>2016-17</td>
<td>5,207</td>
<td>1,455</td>
<td>306</td>
<td>437</td>
<td>324</td>
</tr>
<tr>
<td>2017-18</td>
<td>5,082</td>
<td>1,420</td>
<td>326</td>
<td>444</td>
<td>323</td>
</tr>
<tr>
<td>2018-19</td>
<td>5,259</td>
<td>1,400</td>
<td>353</td>
<td>435</td>
<td>316</td>
</tr>
<tr>
<td>2019-20</td>
<td>4,945</td>
<td>1,373</td>
<td>374</td>
<td>442</td>
<td>326</td>
</tr>
</tbody>
</table>

Report on Strategic Enrollment Management to the Board of Visitors, Census I
Board of Visitors
Academic and Health Affairs Committee
September 18, 2020
Tomikia P. LeGrande, Ed.D.,
Vice President for Strategy, Enrollment Management and Student Success
Compared to 2019...

- Headcount is down 586 students (-2.0%)
- FTE is down 734 students (-2.8%)
- Freshman class is down 626 students (-14%)
  - 11% out of state
  - 58% minority
  - 33% first generation
  - 31% Pell eligible
- Graduate degree seeking enrollment is up 264 students (5.7%)
Overall Enrollment by Student Level

<table>
<thead>
<tr>
<th></th>
<th>Fall 2017</th>
<th>Fall 2018</th>
<th>Fall 2019</th>
<th>Fall 2020*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>24,010</td>
<td>24,058</td>
<td>23,172</td>
<td>21,998</td>
</tr>
<tr>
<td>Graduate</td>
<td>5,283</td>
<td>5,309</td>
<td>5,292</td>
<td>5,507</td>
</tr>
<tr>
<td>First Professional</td>
<td>1,743</td>
<td>1,709</td>
<td>1,639</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,036</strong></td>
<td><strong>31,076</strong></td>
<td><strong>30,103</strong></td>
<td><strong>29,093</strong></td>
</tr>
</tbody>
</table>

*As of Census I
New Freshmen

New Freshman Admission Trends 2018-2020

Out-of-State New Freshman Admission Trends 2018-2020

*As of Census I
Summer Melt Survey Results
22% response rate (n=141)

% of Respondents

<table>
<thead>
<tr>
<th>Fall 2020 Final Enrollment Plans</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enroll at Another Four-Year Institution</td>
<td></td>
</tr>
<tr>
<td>Influencers: removed from top choice waitlist, finances, safety and well being</td>
<td></td>
</tr>
<tr>
<td>47.5%</td>
<td></td>
</tr>
<tr>
<td>Attend Community College</td>
<td></td>
</tr>
<tr>
<td>Influencers: COVID-19, finances</td>
<td></td>
</tr>
<tr>
<td>36.2%</td>
<td></td>
</tr>
<tr>
<td>Take Gap Year</td>
<td></td>
</tr>
<tr>
<td>Influencers: COVID-19</td>
<td></td>
</tr>
<tr>
<td>13.5%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Other influencers: communication, course modalities, not feeling ready for college</td>
<td></td>
</tr>
<tr>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Freshmen Who Accepted Offer of Admission and Did Not Enroll

<table>
<thead>
<tr>
<th>Fall 2018</th>
<th>Fall 2019</th>
<th>Fall 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Accepted Not Enroll</td>
<td>Offer Declined</td>
<td></td>
</tr>
<tr>
<td>259</td>
<td>135</td>
<td>264</td>
</tr>
<tr>
<td>440</td>
<td>677</td>
<td>413</td>
</tr>
<tr>
<td>463</td>
<td>328</td>
<td>677</td>
</tr>
</tbody>
</table>

Freshman Summer Melt
New Transfers

New Transfer Admission Trends 2018-2020

Acceptances
Offers Accepted
Enrollment Yield

*As of Census I
Continuing Undergraduates

### Freshman and Transfer Retention Rates 2017-2020

- **Fall 2018**: FR 1 YR: 84.7%, FR 2 YR: 74.1%, TR 1 YR: 84.4%
- **Fall 2019**: FR 1 YR: 83.1%, FR 2 YR: 75.2%, TR 1 YR: 84.1%
- **Fall 2020**: FR 1 YR: 83.3%, FR 2 YR: 73.0%, TR 1 YR: 86.8%

*As of Census I

### 4- and 6-Year Graduation Rates 2017-2020

- **2018**: 4 YR: 67.4%, 6 YR: 44.5%
- **2019**: 4 YR: 67.6%, 6 YR: 48.2%
- **2020**: 4 YR: 66.3%, 6 YR: 43.1%

^Estimated
### Top 10 Largest Enrollment By Master’s Program Major

<table>
<thead>
<tr>
<th>Major</th>
<th>4 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Work</td>
<td>1,922</td>
</tr>
<tr>
<td>Business Administration (MBA)</td>
<td>1,107</td>
</tr>
<tr>
<td>Business (MS)</td>
<td>1,052</td>
</tr>
<tr>
<td>Nursing</td>
<td>1,035</td>
</tr>
<tr>
<td>Teaching</td>
<td>631</td>
</tr>
<tr>
<td>Health Administration</td>
<td>396</td>
</tr>
<tr>
<td>Decision Analytics</td>
<td>375</td>
</tr>
<tr>
<td>Rehab &amp; Mental Hlth Counseling</td>
<td>331</td>
</tr>
<tr>
<td>Sport Leadership</td>
<td>302</td>
</tr>
<tr>
<td>Public Administration</td>
<td>266</td>
</tr>
</tbody>
</table>

*As of Census I
2020-21 Recruitment Priorities and Plans

Increase New Freshman Enrollment
- Virtual Recruitment Practices
- Enrollment Yield
- Parent Communication & Engagement Campaign

3,835

Increase Domestic Out-of-State Enrollment
- Diversify and scale communications approach
- Transparency and affordability of out-of-state tuition

11% (435)

Increase Transfer Enrollment
- Pilot marketing and recruitment campaign for 24 yrs +
- Online undergraduate programs

1,587

Increase Master’s Enrollment
- New Grad School Dean hired
- Improve graduate enrollment funnel management
- Recruitment of VCU Undergraduates

3,167
2020-21 Retention Priorities and Plans

Increase First-Year Retention
Faculty Awareness & Engagement
- Early alert, midterm grading, and high DFW courses
- Faculty support and development
- Recognize faculty accomplishments
83%

Increase Second-Year Retention
Second-Year Experience
- Curricular barriers
- Sense of belonging, connection and purpose
- Men of Color
73%

Increase 4-year Graduation Rates
- Reduce equity gaps
- Scholarship Funding
- Completion grants
43%

Increase 6-year Graduation Rates
- Reduce equity gaps
- Scholarship Funding
- Completion grants
66%
Open Discussion
Re-Envisioning VCU Online
Current State
Expand VCU’s capacity to scale online programs

- Strengthen VCU’s online infrastructure to facilitate and support increased online programs and enrollment
  - Hire Executive Director of VCU Online
  - Online course development

- Partner with Noodle Partners, an Online Program Management (OPM) company
  - Launched 2 pilot programs 2019-2020
    - Master of Social Work
    - Master in Homeland Security & Emergency Preparedness

Metrics of Success

<table>
<thead>
<tr>
<th>Increase online programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase enrollment in online programs</td>
</tr>
<tr>
<td>Increase number and percentage of online Student Credit Hours</td>
</tr>
</tbody>
</table>
# Current online programs

## Undergraduate Certificate
- Fundamentals of Computing
  - College of Engineering

## Graduate Certificate
- Real Estate
  - School of Business
- Educational Leadership
  - School of Education
- Disability Leadership
  - School of Education
- Special Education K-12 Teaching
  - School of Education
- Care Coordination
  - College of Health Professions
- Pre-Medical Graduate Health Science
  - School of Medicine

## Graduate Degrees
- M.Ed. in Educational Leadership
  - School of Education
- Ed.D in Leadership
  - School of Education
- Master of Business Administration
  - School of Business
- M.A. Homeland Security and Emergency Preparedness
  - LD Wilder School of Govt & Public Affairs
- Master of Social Work
  - School of Social Work
- Ph.D Nursing
  - School of Nursing
- Ph.D Neuroscience
  - School of Medicine

## Undergraduate Degree Completion
- RN to BSN
  - School of Nursing
Online vs. total students

Number of Students Taking One Online Course VS All Students
Fall Enrollment (2014-2019)

- All Students
- Students Taking At Least One Online Class
- % Taking At Least One Online Class

<table>
<thead>
<tr>
<th>Year</th>
<th>All Students</th>
<th>Students Taking At Least One Online Class</th>
<th>% Taking At Least One Online Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2014</td>
<td>31,163</td>
<td>6,992</td>
<td>22.4%</td>
</tr>
<tr>
<td>Fall 2015</td>
<td>31,242</td>
<td>7,646</td>
<td>24.5%</td>
</tr>
<tr>
<td>Fall 2016</td>
<td>31,231</td>
<td>7,441</td>
<td>23.8%</td>
</tr>
<tr>
<td>Fall 2017</td>
<td>31,036</td>
<td>7,984</td>
<td>25.7%</td>
</tr>
<tr>
<td>Fall 2018</td>
<td>31,076</td>
<td>9,190</td>
<td>29.6%</td>
</tr>
<tr>
<td>Fall 2019</td>
<td>30,103</td>
<td>9,384</td>
<td>31.2%</td>
</tr>
</tbody>
</table>
Online vs. total credits

Online Credit Hours VS Total Credit Hours
Fall Enrollment (2014-2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Credits</th>
<th>Online Credits</th>
<th>% Online Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2014</td>
<td>410,785</td>
<td>19,840</td>
<td>4.8%</td>
</tr>
<tr>
<td>Fall 2015</td>
<td>410,859</td>
<td>21,118</td>
<td>5.1%</td>
</tr>
<tr>
<td>Fall 2016</td>
<td>411,508</td>
<td>21,335</td>
<td>5.2%</td>
</tr>
<tr>
<td>Fall 2017</td>
<td>406,996</td>
<td>23,177</td>
<td>5.7%</td>
</tr>
<tr>
<td>Fall 2018</td>
<td>407,602</td>
<td>27,050</td>
<td>6.6%</td>
</tr>
<tr>
<td>Fall 2019</td>
<td>397,943</td>
<td>28,922</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

Legend:
- Total Credits
- Online Credits
- % Online Credits
Three-year enrollment trends: Traditional vs. Noodle

Master of Social Work (M.S.W.)

M.A., Homeland Security and Emergency Preparedness

Source: SEM Enrollment in Masters Program by Academic Period and Modality, As of Census II, Fall 2020 As of August 2, 2020
COVID impact on VCU Online

• Online course and program development put on hold during Spring 2020
  • Reprioritized unit’s effort to help transition courses to remote teaching during Spring 2020.
  • Offered training for faculty to prepare and teach Summer 2020 online.
  • Developed a series of faculty training courses to redesign and build flexible courses for Fall 2020.

• High level focus on future proofing against major disruptions in delivery of instruction

• Academic units more open to the development of an online program
Future State:

VCU Online Re-envisioned
VCU Online success model and needs assessment

Needs Assessment revealed priorities:

**Curriculum**
- Limited courses and degree programs online
- Limited flexibility in course length (6 or 8 weeks versus 16) and program start dates
- Expand faculty development to support online course and program development

**Financial**
- Out of State tuition and fee structure for online programs is not competitive
- Lack financial incentives for academic units to create online programs

**Marketing, Recruitment, & Student Support**
- Expand internal infrastructure to:
  - Support marketing of online opportunities to establish brand recognition for VCU Online
  - Convert leads generated from marketing efforts to enrollment
Priority: Curriculum

Short Range
(Fall 2020 implementation and ongoing)

- Expand online undergraduate education in 3 areas:
  - General education offerings (completion Fall 2021)
  - Undergraduate degrees (programs in the review/approval process for a Fall 2021 start)
- Identify new degree offering and other alternative credentials
  - Programs in the review/approval process for a Fall 2021 start
- Evaluate existing portfolio of programs for those that could transition to online
  - Labor market demand and competitive landscape variables: regional job growth over time, national projected job growth, regional competitive field saturation, and regional degree completions (i.e., a proxy for regional student demand).

Medium Range
(Spring 2021 implementation and ongoing)

- Expand faculty development to support online course and program development
- Expand online graduate degree offerings

Long Range (Summer/Fall 2021 initiation)

- Introduce flexible course lengths (6 or 8 weeks vs. 16 weeks)
Short Range  *(Fall 2020 implementation and ongoing)*

- Expand online undergraduate education
  - General education offerings *(completion Fall 2021)*
  - Undergraduate degrees *(programs in the review/approval process for a Fall 2021 start)*

- Identify new degree offering and other alternative credentials
  - Programs in the review/approval process for a Fall 2021 start

- Evaluate existing portfolio of programs for those that could transition to online
  - Labor market demand and competitive landscape variables: regional job growth over time, national projected job growth, regional competitive field saturation, and regional degree completions (i.e., a proxy for regional student demand).

Medium Range  *(Spring 2021 implementation and ongoing)*

- Expand faculty development to support online course and program development
- Expand online graduate degree offerings

Long Range  *(Summer/Fall 2021 initiation)*

- Introduce flexible course lengths (six or eight weeks vs. 16 weeks)
###Existing VCU programs with potential for growth

<table>
<thead>
<tr>
<th>High Demand with Low Competition</th>
<th>High Demand with High Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNDERGRADUATE PROGRAMS</strong></td>
<td></td>
</tr>
<tr>
<td>• Bachelor of Science in Computer Science*</td>
<td>• Bachelor of Science in Financial Technology</td>
</tr>
<tr>
<td>• Bachelor of Science in Accounting</td>
<td>• Bachelor of Art in Marketing*</td>
</tr>
<tr>
<td>• Bachelor of Science in Information Systems</td>
<td>• Bachelor of Art in Psychology</td>
</tr>
<tr>
<td>• Bachelor of Science in Finance</td>
<td>• Bachelor of Art in Mass Communication*</td>
</tr>
<tr>
<td>• Bachelor of Business Administration</td>
<td>• Bachelor of Science in Economics</td>
</tr>
<tr>
<td>• Bachelor of Art in Advertising*</td>
<td>• Bachelor of Art in Anthropology*</td>
</tr>
<tr>
<td>• Bachelor of Social Work*</td>
<td></td>
</tr>
<tr>
<td><strong>GRADUATE PROGRAMS</strong></td>
<td></td>
</tr>
<tr>
<td>• Master of Science in Computer Science*</td>
<td>• Master of Science in Rehabilitation and Mental Health Counseling*</td>
</tr>
<tr>
<td>• Master of Science in Information Systems</td>
<td>• Master of Supply Chain Management*</td>
</tr>
<tr>
<td>• Master of Public Health</td>
<td>• Master of Health Science Administration</td>
</tr>
<tr>
<td></td>
<td>• Master of Science in Engineering</td>
</tr>
</tbody>
</table>

Source: EAB Graduate Portfolio Health Check, November. 2019
EAB Undergraduate Portfolio Health Check, February 2020
• Establish a competitive e-Rate for online program/courses combined with simplified fee structure.

• Identify financial incentives that benefit the academic unit delivering the online program

• Provide funding to support new online program startup and development
Priority: Marketing, recruitment and student support

Short Range *(Spring 2021)*

- Strengthen data analytics
  - Establish baseline data collection, university-level online program definitions, and program coding, to accurately account for online enrollment growth
- Raise brand awareness of VCU Online *(ongoing)*

Short-Medium Range *(Spring/Summer 2021 implementation and ongoing)*

- Strengthen VCU Online infrastructure to ensure a quality student experience
  - Provide online program-focused marketing, recruitment, and retention
  - Strengthen integration of online lead generation within a CRM technology
  - Develop a program of academic communication to convert leads to enrollment
  - Explore online student support models
    - Partner with new Adult Student Services unit and Advisory Committee
• Alternative Credentials on the Rise

VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS

FINANCE, BUDGET, AND INVESTMENT COMMITTEE CHARTER

I. PURPOSE

The primary purpose of the Finance, Budget, and Investment Committee ("Committee") is to assist the Board of Visitors in fulfilling its objectives and fiduciary responsibilities related to applicable policy/ies and oversight of:

- University finances and investments
- University policies on debt management
- University facilities planning, design, construction and renovation.
- University purchase and divesture of land, including any easements.

The Committee is responsible for reviewing financial statements, budgets, debt, investments, cash management, six-year financial operating and capital plans, and make corresponding recommendations to the Board of Visitors all for the purpose of maintaining a sound fiscal standing. In addition and contributing to fiscal standing, the Committee is responsible for reviewing the University’s tuition and fee charges for each year. The Committee directly oversees the investment of the cash management pool and reviews the financial activities of any foundation or organization established to benefit the University, including foundations, partnerships, or other affiliated entities.

The Committee also approves selection of engineers and architects for University construction capital projects exceeding $52 million, approves the renovation or replacement of outdated facilities and equipment, and approves project plans for construction projects exceeding $52 million, approves the acquisition of all property, and the sale and demolition of property.

University management is responsible for day to day operation of the University within the established authorities, under the governance of the Committee.

II. COMPOSITION AND INDEPENDENCE

The Committee will be comprised of three or more Visitors. In addition to complying with the Commonwealth of Virginia’s Conflict of Interest laws and any University policies, each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or the Committee members, would impair their independence from management and the University. Committee members should also refrain from activities that a reasonable person would view as unethical or contrary to the institutional mission.
III. RESPONSIBILITIES

In performing its oversight responsibilities, the Committee shall:

A. **General:**

1. Adopt a formal written charter that specifies the Committee’s scope of responsibility. The charter should be reviewed annually and updated as necessary.
2. Maintain minutes of open session meetings.
3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.
5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.
6. Implement best practices across the institution for financial management.
7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.

B. **Financial Policy and Investments:**

1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.
2. Review financial assumptions upon which budgets are based.
3. Review and recommend approval of the six-year financial plan and operating budget.
4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.
5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.
6. Approve major design changes to the VCU Optional Retirement Plan.
7. Review annual financial statements and supporting schedules and report to the Board the results of that review.
8. Serve, with the advice of the Investment Advisory Subcommittee, as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.
9. Review annually the BOV Fund.
10. Review quarterly the University Efficiencies.
11. Review quarterly the F&A Dashboard.
C. **Facilities Planning and Debt Management:**

1. Review and recommend approval of the master site plan.
2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.
3. Review and recommend approval of the six year capital outlay program and amendments thereto.
4. Review and recommend to the Board all debt issuance and review debt management policies.
5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.
6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.

D. **Emergency Preparedness:**

1. Review and recommend approval of plans pertaining to emergency preparedness and campus security.

E. **Administration:**

1. Review and approve the Committee charter annually and any significant updates to the charter.
2. Review and approve the annual Committee work plan and any significant changes to the plan.
3. Review the qualifications of the Committee members, staff and the level of staffing by the institution as needed.
4. Review annually the Deficit Disclosure.
5. Annual Investment Conflict of Interest Disclosure Statement.
7. Review reports of the Financial Integrity and Stewardship Committee as needed.
8. Review annually Agency Risk Management and Internal Control Standards (ARMICS)

F. **Tuition and Fees:**

1. Review and recommend tuition and fee charges if needed to provide guidance to the Board.

IV. **MEETINGS**

The Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee Chair should communicate with the Vice President of Finance and Administration prior to each Committee meeting to finalize the meeting agenda and review the matters to be discussed.
### Virginia Commonwealth University
### Board of Visitors

#### Finance, Budget, and Investment Committee Meeting Planner

<table>
<thead>
<tr>
<th>Frequency</th>
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</table>

### A. General

1. Adopt a formal written charter that specifies the Committee’s scope of responsibility. The charter should be reviewed and updated as necessary.  
   - Frequency: X
   - Planned Timing: X

2. Maintain minutes of open session meetings.  
   - Frequency: X
   - Planned Timing: X

3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.  
   - Frequency: X
   - Planned Timing: X

4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.  
   - Frequency: X
   - Planned Timing: X

5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.  
   - Frequency: X

6. Implement best practices across the institution for financial management.  
   - Frequency: X

7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.  
   - Frequency: X

### B. Financial Policy and Investments

1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.  
   - Frequency: X

2. Review financial assumptions upon which budgets are based.  
   - Frequency: X
   - Planned Timing: X

3. Review and recommend approval of the six-year financial plan and operating budget.  
   - Frequency: X
   - Planned Timing: X

4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.  
   - Frequency: X
   - Planned Timing: X

5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.  
   - Frequency: X
   - Planned Timing: X

6. Approve major design changes to the VCU Optional Retirement Plan.  
   - Frequency: X

7. Review annual financial statements and supporting schedules and report to the Board the results of that review.  
   - Frequency: X
   - Planned Timing: X

8. Serve, with the advice of the Investment Advisory Committee, as directed by the Board of Visitors.  
   - Frequency: X
Subcommittee, as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.

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<tr>
<td>9. Review the BOV Fund</td>
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<td>10. Review the University Efficiencies</td>
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<td>11. Review the F&amp;A Dashboard</td>
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**C. Facilities Planning and Debt Management**

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<tr>
<td>1. Review and recommend approval of the master site plan.</td>
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<td>2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.</td>
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<td>3. Review and recommend approval of the six year capital outlay program and amendments thereto.</td>
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<td>4. Review and recommend to the Board all debt issuance and review debt management policies.</td>
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<td>5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.</td>
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<td>6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.</td>
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**D. Emergency Preparedness**

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<tbody>
<tr>
<td>1. Review and recommend approval of plans pertaining to emergency preparedness and campus security</td>
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**E. Administration**

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<tr>
<td>1. Review and approve the Committee charter and any significant updates to the charter.</td>
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<td>2. Review and approve the Committee work plan and any significant changes to the plan.</td>
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<td>3. Review the qualifications of the Committee members, staff and the level of staffing by the institution.</td>
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<td>4. Review the Deficit Disclosure.</td>
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<td>5. Investment Conflict of Interest Disclosure Statement.</td>
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<td>6. Review the Investment Policy Statements – Asset Allocation</td>
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<td>7. Review reports of the Financial Integrity and Stewardship Committee</td>
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<td>8. Review the Agency Risk Management and Internal Control Standards (ARMICS)</td>
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**F. Tuition and Fees**

1. Review and recommend tuition and fee charges.

1 Annually in April a Special Meeting of the BOV may be held to discuss the Budget Plan and Proposed Tuition and Fees.
Amendment to the 2014-2020 Six-Year Capital Plan
VCU Parking Deck D Restoration

Background
VCU seeks Board of Visitors approval to amend the 2014-2020 Six-Year Capital Plan to increase funding for improvements to Parking Deck D from $8.2 million to $12.5 million. VCU's Board of Visitors approved a $7 million capital project for restoration of Parking Deck D as part of the 2014-2020 Six-Year Capital Plan. In May 2015, the board approved an increase of $1.2 million for a total of $8.2 million.

<table>
<thead>
<tr>
<th></th>
<th>Debt</th>
<th>Parking Revenue</th>
<th>Total</th>
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<tbody>
<tr>
<td>2014-2020 Six Year Plan</td>
<td>$7,000,000</td>
<td>$</td>
<td>$7,000,000</td>
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<tr>
<td>May 2015 BOV</td>
<td>$1,000,000</td>
<td>$200,000</td>
<td>$1,200,000</td>
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<tr>
<td>Total</td>
<td>$8,000,000</td>
<td>$200,000</td>
<td>$8,200,000</td>
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Considerations
High priority structure repairs and safety issues have been addressed and stairwell glass systems have been replaced to address safety and weatherization. The severity of the concrete decking deficiencies is significantly greater than anticipated, requiring replacement of additional structural concrete and reinforcing. The deck will receive an application of a coating system to protect the structure from future degradation.

Funding
The university estimates that up to $4.3 million of additional funding will be required to complete restoration of Parking Deck D. The additional funding will be financed with parking system revenues.

Recommendation
Approve amendment of the 2014-2020 Six-Year Capital Plan to reflect a total of $12.5 million for restoration of Parking Deck D.
This plan has been reviewed by the State Council of Higher Education and has been found to be compliant in containing the required components of the ‘Higher Education Reopening Guidance,’ which was developed in consultation with the Virginia Department of Health.
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Overview

One VCU: Responsible Together is Virginia Commonwealth University’s (VCU) plan for a measured, phased and agile return to campus. This plan establishes how we teach, interact and conduct daily life on campus, as well as multiple contingencies for how we will continue to carry out the mission of our university and academic medical center under various conditions. This plan was developed through collaboration between VCU and VCU Health System and will continue to be updated as additional information becomes available.

Guiding principles

Our priority is safely executing the university’s mission, which is the basis for the guidelines established for our return to campus:

- We will follow applicable CDC, state and VCU Health System guidance.
- We will evaluate and implement, where appropriate, personal protective equipment (PPE), face coverings, supplies, policies, procedures, education, screening, tracing and testing protocols to support a phased plan for our return.
- We will continue physical distancing practices.
- We will clean and sanitize facilities in line with CDC guidelines.
- We will support accommodations or provide flexibility for members of the VCU and Richmond community when applicable.
- We will be flexible to address new situations, including anticipated waves of COVID-19 and changes in requirements, guidelines and best practices.
- We will monitor the health of our community and respond promptly to any increase in infection rates consistent with the advice of medical and science professionals.

COVID-19 Response Team

In response to the COVID-19 pandemic, VCU identified a response coordinator and deployed an Incident Coordination Team (ICT) consisting of university and health system leadership as well as health, safety, and science experts. The team and its various subcommittees meet regularly. The ICT allows for a collaborative and coordinated response and a decision-making structure to plan and address pressing needs. The following ICT structure is in place:

- COVID-19 Response Coordinator
- Executive Committee
- Subcommittee Chairs
  - Subcommittees:
    - Communications and Government Relations
    - VCU Health System Advisors
    - Safety and Health
    - Faculty and Staff HR, Employee Health Team
    - Research and Animals
    - Institutional Equity
    - Academic Affairs Teams
      - Student Services
      - Instructional Continuity
In addition to the Incident Coordination Team, a Public Health Response Team has been established to monitor health conditions across the university and make recommendations for the appropriate response.

The return to campus process for students and employees is also supported by other groups, including:

- HR professionals – In collaboration with school/division leadership, each HR professional will complete a staffing plan identifying the status of each employee relative to return to campus. The ICT Executive Committee will monitor staffing plans and coordinate the availability of health and safety supplies for those returning to campus.
- Return-to-campus coordinators – Return-to-campus coordinators will work with their deans/department heads/vice presidents, building managers and the staffing plan to coordinate the application of safety and health protocols and availability of supplies for those returning to campus.
- Building managers – Building managers will assist with starter supply kit distribution, supply inventory and facility signage and readiness.

Resources

Fostering the safety of our students and employees takes a team effort and each of us has a role to play. The university will provide the following resources to support the well-being of our community:

- Starter supply kits for on-campus students and employees that include washable cloth face coverings, hand sanitizer and disinfectant spray
- Facilities cleaned at an increased schedule with focus on high-touch surfaces in common areas
- Cleaning supplies in numerous locations
- Hands-free temperature screening stations in high-traffic areas
- Website and/or app for daily health monitoring reminders
- Required training for students, employees and managers
- Communications campaign and signage with a focus on responsibility of students and employees
- Guidance for managers and employees on telework, leave and resources

Responsibilities

Before returning to campus, all students and employees (faculty and staff) will be required to complete a return-to-campus training so they have a better understanding of the steps being taken by the university to promote their health and safety, as well as an understanding of their expected contributions to the health, safety and success of the VCU community. Students and
employees will sign an attestation indicating training completion and a commitment to personal compliance with safety protocols. The topics covered in the training include the following:

- Maintaining physical distance, wearing face coverings and handwashing
- Holding the community mutually accountable to health guidelines
- Caring for others’ health and well-being

In addition to completing the return-to-campus training and acknowledging the requirements and consequences, all students and employees are expected to:

1. Monitor health daily. Testing will occur according to protocols.
2. Wear a face covering or mask in common areas.
3. Abide by physical distance guidelines to all settings.
4. Clean and disinfect personal and shared spaces before and after use. Cleaning supplies will be available in numerous locations.
5. Report symptoms associated with COVID-19 to VCU Student Health Services or Employee Health. A call center hotline will be available later in the summer.

The academic calendar

VCU's fall semester will now run from Aug. 17 to Nov. 24, with no fall break or reading days included. Final exams will be conducted remotely after the Thanksgiving holiday — from Nov. 30 to Dec. 4 for those on the MCV Campus, and from Nov. 30 to Dec. 7 for Monroe Park Campus students. Note: VCU health sciences and other students may be returning after Thanksgiving to resume their clinical placements and similar activities to which they are committed. Residence halls will remain open for students completing remote academic activities.

These changes, based on recommendations from public health experts, are designed to reduce the amount of travel to and from campus, and to help avoid the height of flu season.
Phased return timeline

Returning to campus will be in phases, and the plans follow Centers for Disease Control and Prevention, state and VCU Health System guidance.

**JUNE**

**Employees**: Designated employees and those supporting clinical operations and rotations; limited research faculty, staff and trainees are on campus; others telework

**Students**: Limited number of students return for clinical placements; limited number of student-athletes return.

**JULY**

- **July 1-15**
  - **Employees**: Approx. 25% of non-designated employees who cannot work well remotely return to campus; others telework.
  - **Students**: Limited number of students return for clinical placements; limited number of student-athletes return.

- **July 16-31**
  - **Employees**: Approx. 50% of non-designated employees who cannot work well remotely return to campus; additional research faculty, staff and trainees return to campus.
  - **Students**: Limited number of students return for clinical placements; limited number of student-athletes return.

**AUGUST**

- **August 1-16**
  - **Employees**: Approx. 75% of non-designated employees who cannot work well remotely return to campus; additional research faculty, staff and trainees return to campus.
  - **Students**: Begin returning to campus.

- **August 17 - Fall semester begins**
  - **Employees**: Approx. 100% of non-designated employees who cannot work well remotely return to campus. All positions needed to support in-person student experience return to campus.
  - **All other employees continue teleworking.**
### SEPTEMBER
- Sept. 7: Labor Day - University closed

### OCTOBER
- Classes continue

### NOVEMBER/DECEMBER
- Nov. 24: Last day of classes
- Nov. 30 - Dec. 7: Monroe Park Campus online final exams
- Nov. 30 - Dec. 4: MCV Campus online final exams

Health sciences and other students may be returning after Thanksgiving to resume their clinical placements and similar activities to which they are committed.

---

**Safety protocols**

We each have roles and responsibilities to promote safety in our learning, work and living environments. Students and employees returning to campus will be required to comply with the following safety protocols.

**Daily health screening**

Students and employees are required to complete a daily health check survey. This survey will initially be sent via alert/email. The survey asks respondents if they have symptoms consistent with COVID-19. Symptoms in the survey are based on CDC-published COVID-19 symptoms.

Students and employees with symptoms are directed to self-isolate and avoid going to work, class or other in-person community or clinical engagements and to contact their personal health care provider immediately. Students with symptoms are directed to notify VCU Student Health Services, and employees with symptoms are directed to notify VCU Employee Health Services.

- Students will receive reminders for daily health monitoring. The dean of Student Affairs will be notified after repeated non-compliance. Failure to comply may result in exclusion from university activities, including suspension.
- Employees receive reminders for daily health monitoring. Managers are notified after repeated non-compliance. Disciplinary action for employees who fail to comply may be up to and including termination.
Face coverings

The use of face coverings is required in common areas, including building entry areas, conference rooms, hallways, elevators, restrooms and parking decks while on campus. Face coverings are recommended but may be removed when outside as long as individuals comply with the current physical distancing guidelines. Face coverings include masks, bandannas, scarfs or any other cloth material that covers the nose and mouth. Face shields are not considered face coverings.

Employees do not have to use face coverings in private offices with at least 6 feet of distance to the nearest hallway if the door is closed. Residential students must wear face covering while navigating residence halls outside of their room, suite or apartment.

Face coverings must also be used by faculty in classrooms. As an additional safety measure, if the faculty member cannot maintain 6 feet of physical distancing, plexiglass podiums may be installed.

As with all health and safety protocols, non-compliance with the use of face coverings is subject to disciplinary action for students and employees.

Cleaning and disinfecting procedures

VCU’s cleaning and disinfecting guidelines are based on guidance from the CDC, state and VCU Health System. The university’s custodial staff will frequently (i.e., at least twice daily) clean and disinfect high-touch surfaces (i.e., frequently touched surfaces), such as door handles, light switches, elevator buttons, restroom surfaces, railings, water fountains and tables, in common areas of occupied buildings.

- Cleaning and disinfecting is conducted per the CDC guidance.
- Custodial staff use industrial-grade cleaning equipment and disinfectant cleaners, such as Virex® II 256 (a disinfectant cleaner concentrate), that kill 99.9% of microorganisms on contact and are certified by the U.S. Environmental Protection Agency (EPA) as effective against coronavirus.
- Custodial staff cleaned and applied disinfectant to high-touch surfaces in unoccupied facilities that will remain locked and inaccessible until VCU community members can safely return to campus.
- Unoccupied residence hall rooms have been cleaned, treated with disinfectant and locked. This process will continue when current rooms that are occupied are vacated prior to occupancy.
- University common areas and offices and labs to which custodial staff have access will be cleaned and treated with disinfectant prior to the return to campus per CDC guidelines.

Students and employees are responsible for applying disinfectant to their personal work spaces, rooms and belongings before and after use. For instance, employees are responsible for treating their computers and workstations with disinfectant, and students will be responsible for cleaning personal electronics, residence hall rooms and classroom work areas.

To the extent possible, VCU will minimize shared computers and use dedicated student supplies. Where not possible, VCU will provide disinfectant so that individuals can clean the materials before and after use.
Cleaning and disinfecting supplies
VCU Facilities Management will provide disinfectant supplies, including hand sanitizer and disinfectant spray stations, throughout campus based on supply. VCU will provide returning students and employees with a personal starter supply kit that includes launderable face masks, disinfectant spray, hand sanitizer and information about cleaning and physical distancing.

Each major business unit (MBU) will identify centrally located distribution areas for cleaning supplies, disinfectants and supply kit refills, as supplies are available. In addition, each MBU identified a return-to-campus coordinator to maintain the inventory at their distribution area as well as assist with the distribution of starter supply kits for those returning to campus.

Public health testing, screening, monitoring and response

Public Health Response Team
VCU established a Public Health Response Team (PHRT) of which membership includes key leadership from across the university and VCU Health System. The Public Health Response Team (PHRT) serves as the principal liaison with the Virginia Department of Health. A memorandum of understanding is being developed with the Virginia Department of Health.

Primary contact:
Melissa Viray, MD
Deputy Director
Richmond City and Henrico Health Districts
804.482.5485 (office)

Secondary Contact:
William (Bill) Edmunds
Director of Process & Evaluation Oversight
Virginia Department of Health
william.edmunds@vdh.virginia.gov
804.221.1582 (cell)

The PHRT seeks to identify trends and outbreaks and recommend actions through the following activities:

- Monitor prevalence testing data, protocols and daily health acknowledgements
- Develop protocols for response to rise in incidence rate, call center operations and contact tracing team
- Manage response to local outbreaks of COVID-19
- Make recommendations to VCU administration regarding local and general closure

The VCU Public Health Response Team membership includes:

- Tom Briggs, assistant vice president for safety and risk management (co-chair)
Screening and testing procedures

The screening and testing of the VCU community continues to evolve based on the availability and efficacy of viral testing protocols as well as guidance from the Centers for Disease Control and Prevention (CDC), the Virginia Department of Health (VDH), the state and the VCU Health System.

Entry Testing

Entry testing refers to testing students and employees prior to their return to campus. At this time the CDC does not recommend entry testing for the purpose of establishing that a particular population is free of COVID-19, citing the limited usefulness of a single administration of testing (single administration could miss cases in the early stages of infection or subsequent exposures resulting in transmission, and would only provide COVID-19 status for individuals at that specific point in time). However, to help mitigate COVID-19 positive individuals returning to campus housing and anticipate the potential prevalence of COVID-19 among non-residential students, VCU will test all residential students and 2% of non-residential students prior to their return to campus. This purpose and approach is consistent with current CDC guidance on the use of testing to determine whether any additional actions are needed based on test results.

Prevalence Testing

Prevalence testing at VCU will be conducted daily and will include up to approximately 5 percent of the residential students and up to approximately 2 percent of all other community members. This testing will be at no cost, is voluntary and will be conducted by VCU Health System. Prevalence testing will begin in August after students return to campus.

Testing Options

Testing for those within the VCU community who are experiencing symptoms (both on-campus and off-campus) will be conducted by VCU Medical Center at accessible locations at no direct cost to students or employees. In addition to the no-cost voluntary prevalence testing, VCU
anticipates making “at-will” testing available for asymptomatic students and employees at a cost to be determined. More detail to come later in the summer.

Reporting process

A central COVID-19 hotline/call center will provide a central point of response to reported COVID-19 cases and distribution of information. The call center will be a shared service with VCU Health System. Notification to the hotline can be made by students or employees who identify health concerns during daily health checks; who have been diagnosed with COVID-19; or who have been exposed to someone with COVID-19.

If the hotline/call center health care providers determine that students or employees may have COVID-19, the following courses of action may be followed:

- The call center will refer an employee to their personal health care provider or the hospital as appropriate and notify Employee Health. The case will be considered as a presumptive positive until determined otherwise.
- The call center will refer a student to their personal health care provider or the hospital as appropriate and notify Student Health. The case will be considered as a presumptive positive until determined otherwise. University housing will coordinate with residents to quarantine or isolate within the residence halls, as needed.
- The call center will notify the Facilities Management Operations Center of the location of potential exposure (no names or identifying information will be used). Facilities Management will clean and treat with disinfectant VCU facilities as appropriate.
- Contact tracing to determine individuals and locations that may have been exposed will be conducted by a contact tracing team in consultation with Employee Health and Student Health, the Richmond Department of Health and the Virginia Department of Health.

Contact tracing

A memorandum of understanding is being developed between VDH and VCU which allows VCU to run a contact tracing team. Five full-time VCU employees will go through VDH training for the medical reserve corps first to have a cadre of trained contact tracers. VDH will then hire 10-20 contract employees, train them, and provide them computers and phones, but they will ultimately be under VCU managerial control. This collaboration allows VCU contact tracers to use the VDH software management tool for contact tracing.

The VCU contact tracing team will be responsible for administering a contact tracing questionnaire to all individuals associated with VCU who report positive test results.
Quarantining and isolating

Students and employees who test positive for COVID-19 or who are diagnosed as having COVID-19 by a health care provider will not return to work, class, or other community or clinical engagements until cleared by Employee Health or Student Health.

- Students can contact Student Health 10 days from the date of their positive test to discuss when to return to any in-person university activity, including class. Student Health will send them an email formally authorizing their return.
- Faculty and staff can contact Employee Health 10 days after their symptoms clear for permission to return to campus or any other VCU location. Employee Health will send them an email formally authorizing their return.
- Students living off-campus and employees will isolate at home or other appropriate location.
- Students living on-campus may self-isolate in designated housing; basic needs will be coordinated with Dining Services, and medical case management will be facilitated by Student Health Services.

The current recommendation from the Public Health Response Team is for students who test positive to self-isolate in a residence hall set aside specifically for quarantine where they will receive medical case management and have their basic daily needs met. While students have the option to return home instead, it will not be a recommendation by the PHRT as it is a personal decision based on certain factors (for example, having a high-risk family member.)

Students and employees who are exposed to someone who has a positive viral test or a clinical diagnosis for COVID-19 shall self-quarantine for no less than 14 days after their last exposure or in accordance with CDC recommendations. If they have no symptoms after 14 days, they may return in person to work, class, or other community or clinical engagements.

Students and employees who travel to international locations with wide-spread transmission of COVID-19, as identified by the CDC at that time, will self-quarantine for no less than 14 days after their return. If they have no symptoms after 14 days, they may return to in-person work, class, or other community or clinical engagements.
Campus outbreak management

VCU’s Public Health Response Team will review testing data, monitor positive cases and clusters, and make recommendations to the President’s Cabinet regarding outbreak management.

Monitoring and response

The Public Health Response Team will monitor COVID-19 cases on campus. There are three ways to determine a need for an isolated or partial shutdown: daily health checks; prevalence testing; and reports of positive cases.

If a cluster of cases occurs in one of our residence halls, for example, then the Public Health Response Team will work to determine if the hall needs to be closed and how infected students will be isolated. VCU has 50+ beds for quarantine/isolation of resident students. If 50% of the quarantine beds are occupied with positive COVID-19 cases, then the PHRT will consider recommending some form of closure; either of the dorms or of portions of the campus. The same would be true if a cluster were in specific classes, labs, buildings, etc.

If prevalence testing for the community shows an increase disproportionate to the prevalence in the greater Richmond community, the epidemiologists at VCU Health and VDH will be tasked with determining potential causes and making recommendations. Again, if a significant portion of our student body is affected, then partial campus closure may be the recommendation.

VCU will consult with VDH before taking any action.
Reducing campus activity

In the same way that VCU returns to campus using a phased approach, reducing campus activity will follow the same use of phases. If we are in Phase 4, VCU will reduce staffing and in-person instruction to Phase 3 and, if necessary, Phase 2.

**Phase I**

**Employees:** Designated employees and those supporting clinical operations are on campus; all others telework

**Phase II**

**Employees:** Employees supporting clinical rotations and research return to campus (see Research and HS campus plans)

**Students:** Students for clinical placements; limited research graduate students

**Phase III**

**Employees:**
- Approx. 25% of non-designated employees that cannot work well remotely return to campus
- Approx. 50% of non-designated employees that cannot work well remotely return to campus
- Approx. 75% of non-designated employees that cannot work well remotely return to campus

**Students:** Student athletes; full research graduate students

**Phase IV**

**Employees:**
- Approx. 100% of non-designated employees that cannot work well remotely return to campus. All positions needed to support the in-person student experience return to campus.
- All others continue teleworking.

Considerations regarding student health and safety on campus versus leaving campus will be determined on a case-by-case basis by Student Affairs.
Communications plan for dismissals/shutdowns

The communications plan for dismissals/shutdowns follows our emergency communications protocols with amplification so that messages are received and understood by students, faculty, staff and parents.

- Mass mail to the entire university community (students and employees) from the Office of the President; posted on president’s blog
- One VCU: Responsible Together website home page posting; university homepage website posting; VCU Alert text message and posting; VCU mobile app alert; VCU News posting
- VCU social media postings: Facebook, Twitter, Instagram
- One VCU: Responsible Together student update and faculty staff update (emailed)
- Provost email and website updates each to students and faculty
- VP Administration email and website update to university employees
- Individual school and college digital communications to their students and employees (email, social media, websites) that reiterate university messages and are customized for school/college situations
- Professor communications to students through email, Blackboard, social media
- Student Affairs email advisory/website posting to parents

Collaboration with VCU Health

VCU and VCU Medical Center will collaborate fully in this endeavor. Our COVID-19 call center and contact tracing team will be shared, and VCU Medical Center will provide epidemiology support for the PHRT. Also, a VDH representative will advise the PHRT in the event of an outbreak.

Communications

VCU deployed the following communications strategy to effectively keep the VCU community up-to-date on COVID-19 and reopening plans. VCU’s messaging principles include clear, consistent, timely, transparent and relevant communications that address the needs and concerns of all community members. VCU provides a website as a source of current information as well as an email address for questions from the VCU community. Communications are managed per VCU emergency protocol: universitywide, high-level messages developed and coordinated by University Relations with units contributing information specific to their audiences. Return messaging and communications assets are established at the university level, with units customizing for their appropriate use. The VCU Incident Command Team Executive Committee approves universitywide messages.

The One VCU: Responsible Together campaign builds trust, engages students and employees, manages expectations, and raises awareness. It is the umbrella under which VCU establishes a
return to operations under new, changing circumstances and creates acceptance that we are all in this together to promote a safe, healthy environment. See the full website at https://together.vcu.edu/.

Key messages

- The health and well-being of our students, faculty, staff and patients is critical in conducting the missions of our university and its academic medical center.
- It will take each of us acting responsibly together to live, learn and work.
- This is a phased return that is thoughtfully planned and conducted following applicable CDC, state, city and VCU Health System guidance and with gathering ongoing input from students and employees.

Tactics

- One VCU: Responsible Together website: together.vcu.edu
- One VCU: Responsible Together email address: together@vcu.edu
- Broadcast/mass email
- VCU social media
- Safety protocol signage throughout campuses branded with One VCU: Responsible Together
- Individual school and department communications to their students and employees (email, social media, websites) that reiterate university messages and are customized for school/college situations

External community engagement

The Community Engagement and Service team coordinates outreach and communications to area neighborhood associations regarding university return-to-campus plans. The planning team includes Student Affairs, VCU Police, University Relations and Government Relations. The purpose is to update area residents on university re-entry planning, and hear feedback and concerns that will enable the university to address issues proactively and responsibly. This initiative includes development of a process and protocols for responding to concerns.
The campus experience

Classes

VCU will offer in-person, in-person blended learning, and exclusively online course offerings. On-campus courses may be smaller because of physical distancing requirements, and some classes may require groups of students to alternate in-person attendance. In addition, more online courses will be available.

VCU will promote physical distancing as a means to limit the spread of infectious disease. At this time physical distancing guidelines include maintaining at least 6 feet between individuals and limiting large meetings or other gatherings to no more than 10 people in meetings or 50 people in a classroom environment. These guidelines will be reviewed and adapted based on applicable CDC, state and VCU Health System guidance.

Specific guidance is as follows:

- Occupancy is based on reduced density with an absolute minimum of 36 square feet per person in classroom environments. Libraries and lounge areas are further limited to one-third code occupancy, and research labs are limited to 250 square feet per researcher.
- Elevator occupancy, generally, will be no more than two people per elevator.
- Teleworking for staff and remote learning for students will continue to be used as necessary or advisable,
- Physical distancing in VCU-owned or -operated transportation will be maintained.

In areas where physical distancing is not possible, the use of engineering controls (such as barriers, filtration, etc.), floor markings to identify waiting locations or path of travel (e.g., “stand here” signage or arrows), or personal protective equipment for higher-risk individuals (such as N95 respirators, face shields or gloves) is recommended. Students and employees are required to wear face coverings in all VCU buildings.

Outside the classroom

Plans related to student services and activities include changes to building operations, environmental adjustments, and changes in occupancy/capacity to promote appropriate physical distancing and programming. Building density, group gatherings and events are restricted based on directives from the CDC, the state and VCU Health System. Examples include:

VCU Libraries

Campus libraries will reopen with limited services, spaces and hours. For instance, open study space and computing at both libraries will operate with reduced numbers of seats and computers. Main service desks at both libraries will be open for lending of materials and assisting users with use of library spaces and collections. VCU Libraries will reduce staff/patron
contact with circulating materials, including potentially closing stacks and pulling materials through a paging system, and/or implementing new procedures at service desks that do not require staff to touch materials being borrowed.

University Student Commons and activities
There will be limited access points for the University Student Commons, which will be restricted to VCU students, faculty, staff and contractors. The VCU community may host events in compliance with applicable health and safety precautions without advance approval; however, non-university events are generally prohibited while restrictions are in place. Safety protocols include hand sanitizer available at access points and appropriate signage throughout facilities, website and traditional media regarding physical distancing, hand washing, face masks, activity zones and the latest CDC guidelines.

VCU Recreational Sports
VCU will segment open floor space using stanchions, floor tape, and signage. Density for recreational sports activities will be controlled by having users reserve time and space in advance. VCU Rec Sports will offer group exercise classes at reduced capacity and expanded virtual programming. To minimize contact with high-touch points, VCU Rec Sports will prop open restroom and locker room doors as long as privacy can be maintained. Water fountains will be deactivated; however, touchless water bottle fillers will remain available. There will be no contact or team-based sports available.

On-campus housing
Given the early semester start date with classes beginning on Aug. 17, VCU Residential Life and Housing modified the housing move-in calendar to assist with safely moving our residents to campus while practicing physical distancing. To maintain proper physical distancing and other precautions, VCU will provide a scheduled move-in approach for all residence halls. While in the past this has been a one-day event, it will now be a multiple-day process with various move-in blocks. Residents will only be allowed to bring two guests to help them move in. Residents moving in, as well as those assisting them, are required to wear face coverings throughout the move-in process.

All residents must follow VCU’s safety protocols. Residential Life and Housing is working with partners across VCU to assist with the transition back to campus and minimize the spread of COVID-19 with the following measures:

- Sanitizer stations installed in the halls.
- Housekeeping staff will clean common areas, bathrooms and other high-traffic areas more frequently. This is a team effort, and students will be asked to do their part on
keeping these areas clean. For example, students will be required to wipe down any surfaces in common areas before and after touching them.

- Some common areas will be closed off, and other common area spaces may be modified to allow for appropriate physical distancing. For example, plexiglass barriers will be installed in certain high-traffic areas. This allows for closer interaction between residents and staff through the barrier.
- Residential Life and Housing set aside approximately 50 rooms for potential isolation and quarantine needs.

The standard guest policy is suspended for the 2020-21 academic year. Resident assistants will work with residents to create physically distant interactions for the hall communities to connect and support one another during this time. Residential students will only be able to access their assigned residence hall using their VCU ID card.

Dining Services

VCU Dining Services will limit to 50% occupancy load per fire code or 6 feet of separation between guests, whichever is less. Staff will use counters to monitor reduced occupancy loads. Dining Services will monitor occupancy thresholds to promote safe physical distancing. Mobile ordering will be available with a mixed model of dine-in and take-out options. To further limit exposure to high-touch points, VCU Dining Services will also implement the following:

- Contactless payment solutions
- A visible “X” on particular items such as drink dispensers, napkins, silverware, etc. to indicate this is not a self-serve option and will be staffed by a VCU Dine associate.
- Customers will not be allowed to fill personal drinking cups and mugs. Disposable flatware and cups will be distributed. Single-use condiments will be implemented or may be served by staff depending on location. Additional trash receptacles will be placed in strategic locations to help with additional overflow of single-use items.
- “Commit before you choose” messaging to avoid unnecessary touching of food options
- Customers will be encouraged to modify times when they eat so they may avoid large crowds during traditional breakfast, lunch and dinner times. Customers will receive time-to-dine notifications and be made aware of peak customer counts by 30-minute intervals throughout the day to avoid crowds.

VCU Dining Staff will participate in a rigorous eight-hour safety and sanitation food handlers certification prior to re-opening and will be required to test for knowledge. Certification will be granted upon completion. Staff will participate in daily training on pandemic plan hygiene standards and will be included in all pre-service meetings. Individuals in temporary positions will be trained on all standards before working at any location.

VCU Dining Staff will be screened prior to beginning their shift. Staff who are experiencing any symptoms of respiratory illness are not permitted to work. Staff will be given timers to wear as reminders to stop and wash hands. Timers will also be used for those responsible for cleaning and sanitizing high-touch points as a constant reminder.

Staff will be placed at strategic locations throughout dining locations to provide additional cleaning and sanitizing of door handles, stair rails, tables, chairs and other areas and items.
considered high-touch points every hour during operating hours. Safety ambassadors will be selected for each of our locations and will be the point person for those who may have questions about food safety and sanitation.

Student health

Student Health Services

University Student Health Services will continue to offer standard (non COVID-19) health services. COVID-19 testing will not be available at Student Health; however, they will assist in the reporting of positive COVID-19 cases, providing support to students as needed. Students will be directed to their personal health care provider or VCU Health System for COVID-19 testing.

Student Health will provide "telehealth" appointments for students if their medical issue does not require an in-person visit. If an in-person visit is necessary, students will be called on their cell phones to enter the waiting area when their clinician is available for their appointment. Students will not be allowed to bring additional visitors for appointments, and students will be screened before entering each clinic with temperature checks and health questionnaires.

Immunizations will change from walk-in hours to scheduled appointments on each campus due to physical distancing requirements. These clinics will need to be off-site to allow adequate space for physical distancing. With the return of students in the fall, it will be challenging to differentiate between viral illnesses including influenza vs. COVID-19. For this reason, flu shots will be strongly encouraged.

University Counseling Services

University Counseling Services will continue to offer the standard counseling services, promoting telemental health as the primary mode of treatment. In the event that a student has limited access to a private space once they return to campus, UCS plans to make several offices available to students for telemental health appointments.

In-person visits will be limited to those students who would most benefit from such interactions, including crisis counseling, counseling for individuals unable to access telemental health, or other circumstances for which the mental health professional believes an in-person visit carries significant benefit.

The student’s well-being will be assessed via asking basic questions before meeting with a clinician. Any student who is experiencing symptoms related to COVID-19 such as a fever will be asked to speak to their treating physician before meeting in person with a UCS clinician.
Students advised against in-person sessions will continue to have access to telemental health services.

Both University Student Health Services and University Counseling Services will take the following extra precautions to help contain the spread of COVID-19:

- Plexiglass will be added as necessary to front desks to increase safe interaction between staff and students who may need an in-person appointment.
- Floor decals will be placed to remind students to maintain physical distancing.
- All paper products such as magazines and brochures have been removed from each clinic’s waiting area.
- Seating has been replaced with plastic chairs on each campus to allow for disinfection.
- Transition to electronic payments will decrease touch points for staff.
- Both clinical and administrative staff have received additional training on PPE, cleaning protocols and physical distancing.
- Work schedules have been staggered or rotated to promote telecommuting.
- PPE and disinfection supplies remain limited, and the partnerships with VCU Facilities and the VCU Health System will continue.

Orientations

Orientations will be online for summer 2020.

Student and family orientation
Orientation will consist of a series of modules released over the summer for students to complete at their own pace. There will also be three required virtual meetings and multiple opportunities for connecting with other students. We recognize the important role of families and will provide a virtual Family Orientation experience at no cost to families.

International student orientation
To promote the safety of students and practice physical distancing, VCU’s International Student Orientation will be held online this year. Beginning in mid June, the Global Education Office will launch a series of online modules covering campus safety, health insurance, living in Richmond, getting involved on campus and more.

International students
VCU recommends that all students who travel or arrive from outside of the United States follow CDC guidelines and self-quarantine for 14 days upon arrival in the U.S.

New and returning international students should arrive in the U.S. no later than Aug. 1 in order to complete 14 days of self-isolation before classes begin on Aug. 17. A student arriving less than two weeks before the start of classes must contact their faculty no later than Aug. 12 to discuss options for remote learning during the quarantine.
Students must be prepared to self-quarantine immediately upon arriving in the U.S. Those without permanent housing arranged before arriving should make plans for appropriate temporary housing. Students should plan to seek permanent housing only after completing self-isolation.

Travel

University-sponsored travel

University-sponsored international travel for students, faculty and staff remains suspended until further notice. University-sponsored domestic travel out of state for clinical and research purposes is permissible with the approval of the senior vice president for health sciences or the provost.

Members of the VCU community are encouraged to limit personal travel. Travel guidance will be reviewed periodically and updated based on guidance from the CDC and U.S. Department of State. VCU encourages community members to refer to these guidelines to be fully informed of potential health risks and travel restrictions that may be in place.

Students and employees who travel to international locations will self-quarantine at their home or other appropriate location for no fewer than 14 days after their return. If they have no symptoms after 14 days, they may return to in-person work, class, or other community or clinical engagements. Residential students will self-quarantine consistent with protocols developed by Residential Life and Housing.

On-campus travel

VCU shuttle service (RamRide and RamSafe) will enhance daily cleaning and install hand sanitizing stations. VCU partners with the Greater Richmond Transit Company (GRTC) to provide travel options for students and employees including intra-campus travel. GRTC will enhance daily cleaning, install sanitizer dispensers on all vehicles, redistribute buses to high-ridership local routes and require cloth face coverings. Additionally, VCU will provide a temporary physical distancing shuttle beginning in August.

Events

No large extracurricular or group gatherings will be hosted on campus at this time. VCU will follow applicable CDC, state and VCU Health System guidance as they evaluate when and how to begin hosting events on campus.
Psychological readiness

VCU Institutional Equity, Effectiveness and Success, in partnership with VCU Human Resources, developed an additional complementary psychological readiness and return-to-campus training course to support a safe and healthy learning and work environment. The training addresses psychological (i.e., mental and emotional) awareness and readiness as we return to campus, and emphasizes the university’s commitment to inclusion, nondiscrimination and equity.

The workplace

Employees will return to work in phases. Employees who can telework successfully and who are not required to be on campus will continue to telework.

Face coverings or masks are required in all common areas. Face coverings or masks do not need to be worn in an individual office with a closed door and at least 6 feet from a common space. Employees will wipe down personal workspaces using sanitizing spray at the beginning and end of each workday.

Shared equipment and appliances must be wiped down before and after use. Meetings will be conducted virtually as often as possible; a virtual option for individual employees is strongly encouraged. For meetings that cannot be conducted virtually, conference rooms must allow for 36 square feet per participant, no more than 50 percent capacity. Rooms, tables and chairs must be wiped down with disinfectant by meeting participants after usage.

Occupancy of break rooms and use of coffee makers, microwaves, etc. will be limited (or eliminated) to promote appropriate physical distancing and sanitization. Usage of shared refrigerators is discouraged. Employees will only be permitted to eat or socialize together if at least 6 feet apart.

Hallways, pathways, queuing areas and restrooms will have signage indicating protocols for physical distancing compliance. Plexiglass shields will be installed in welcome centers, direct customer service centers and other high-contact areas. High-touch items such as magazines, common pens, etc. will be removed.

Accommodations

For students

The university recognizes that some students who previously did not need Section 504 Academic Accommodations, and who have a qualifying condition or disability, may need support or assistance during the return-to-campus process. VCU will also consider a university absence policy for students for the fall semester.

- A modified approach for the temporary and more permanent need for accommodation has been developed and implemented to provide students with full access to programs and activities related to their academic majors.
● Because every case is different, student requests are evaluated on a case-by-case basis. Students should share their need for an accommodation with the Student Accessibility and Education Office, or for MCV Campus students, the Division for Academic Success, after having worked directly with their faculty member.

For employees

Employees at increased risk for severe illness according to the CDC and the Virginia Department of Health, and who also have been informed that they need to return to campus for work, may request flexibility in work arrangements through the university ADA/504 coordinator. Employees should discuss with their manager and their HR professional any other alternative work arrangements.

Managers should demonstrate flexibility in developing return-to-campus staffing plans, particularly for those caring for others or who have concerns about returning to campus. Management options include:

● Continued telework if this has been a successful arrangement
● Alternative schedules to limit contact with other employees
● Usage of leave if there is no work or limited work that can be performed remotely. Employees may request up to 30 days of leave without pay if leave balances are exhausted.

Faculty will work with their department/unit on their return-to-campus plan.

Sick leave policies and practices

Additional forms of state and federal leave are available to faculty and staff whose work is affected by COVID-19 either as a direct result of the virus or as a result of the need to find accommodations for child care due to school, camp and daycare closures due to the virus. Available state and federal leave hours may be used continuously or intermittently.

● Families First Coronavirus Response Act (FFCRA) – Federal emergency leave through Dec. 31, 2020
● Public Health Emergency Leave (PHEL) – State emergency leave during the public health emergency
● FFCRA Emergency Family and Medical Leave (EFML) – Emergency family and medical leave through Dec. 31, 2020
Recap of FY2021 Adopted Budget

Revenues
• Balanced budget based on mid-range impact of COVID19
• No increase to tuition rates or state funding from FY2020 levels
• Potential enrollment loss of 10% - revenue shortfall of $41.5M

Expenses
• Limited new needs to support funding of existing tuition waivers, health benefits, faculty promotions $14.3M
• Initial funding of $2.6M PPE
• Average 8.7% required reductions
• Reallocation of Auxiliary fund balances and use of contingency funds of $26.5M to mitigate reductions for current year

Total anticipated deficit addressed - $55.8M
Cost Savings

Significant cost saving measures were implemented in FY2020 and FY2021 resulting in:

- Bond refinancing savings of $10.8M in 2021 and $37M in the first 5 years
- Hiring freeze and attrition, starting March 31\textsuperscript{st}, 2020, anticipated savings of 125 positions for $1M in 2020 and 217 positions for $19.8M in 2021
- Savings and efficiencies from the new procure-to-pay system $5.2M (projected to be $16.8M in the first 5 years)
- Spending freeze including travel saved $5M for Spring 2020 and $1M for July
## Preliminary Update to the FY2021 Financial Plan

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<th>Enrollment</th>
<th>Adopted</th>
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<td>10% reduction UG, Grad; 1st P</td>
<td>2.8% FTE reduction for UG, Grad; 1st P</td>
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| Revenue | | |
|---------| | |
|         | -$41.5M | -$6.9M |

| State and Federal Funding | | |
|---------------------------| | |
| $20.3M CARES funding | $26.3M CARES funding (incl. State) |

| PPE & Operational Impacts | | |
|---------------------------| | |
| $2.6M | $13.9M including testing and spring PPE ($2.5M Funded by State) |
Questions?
Agenda

I. VCIMCO Update

II. Market Review

III. Investment Update
VCIMCO’s total AUM is approximately $1.5B as of June 30, 2020

- VCIMCO manages approximately $1,146M of endowment and quasi-endowment assets from affiliated VCU entities

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- VCIMCO also manages approximately $326M of other short-term assets

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I. VCIMCO Update

II. Market Review

III. Investment Update
### Market Review

#### Strong Market Recovery in 2Q 2020

**Equity and Fixed Income**

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<td>4.28</td>
<td>10.49</td>
<td></td>
</tr>
<tr>
<td>Russell 2000</td>
<td>25.42</td>
<td>-6.63</td>
<td>-2.01</td>
<td>4.28</td>
<td>10.49</td>
<td></td>
</tr>
<tr>
<td>Russell 3000</td>
<td>22.03</td>
<td>6.53</td>
<td>6.53</td>
<td>10.03</td>
<td>6.53</td>
<td></td>
</tr>
<tr>
<td>Russell 1000 - Value</td>
<td>14.29</td>
<td>-8.84</td>
<td>-8.84</td>
<td>1.82</td>
<td>4.64</td>
<td>10.40</td>
</tr>
<tr>
<td>Russell 1000 - Growth</td>
<td>27.84</td>
<td>23.28</td>
<td>23.28</td>
<td>18.98</td>
<td>15.87</td>
<td>17.22</td>
</tr>
<tr>
<td>Russell 1000 - Defensive</td>
<td>15.85</td>
<td>4.80</td>
<td>4.80</td>
<td>11.10</td>
<td>10.66</td>
<td>13.33</td>
</tr>
<tr>
<td>Russell 1000 - Dynamic</td>
<td>27.89</td>
<td>9.00</td>
<td>9.00</td>
<td>8.85</td>
<td>8.85</td>
<td></td>
</tr>
<tr>
<td>Russell 1000 - Momentum</td>
<td>24.66</td>
<td>-4.37</td>
<td>-4.37</td>
<td>3.67</td>
<td>5.72</td>
<td>12.75</td>
</tr>
<tr>
<td>Russell 1000 - Low Volatility</td>
<td>18.95</td>
<td>-5.86</td>
<td>-5.86</td>
<td>5.63</td>
<td>8.06</td>
<td>14.22</td>
</tr>
<tr>
<td>Volatility - VIX</td>
<td>-43.16</td>
<td>101.79</td>
<td>101.79</td>
<td>39.58</td>
<td>10.78</td>
<td>-1.26</td>
</tr>
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</table>

**Equity & Fixed Income % Change**

<table>
<thead>
<tr>
<th>Index</th>
<th>QTD</th>
<th>FYTD</th>
<th>1Yr</th>
<th>3Yr (ann)</th>
<th>5Yr (ann)</th>
<th>10Yr (ann)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell Top 200</td>
<td>20.54</td>
<td>7.51</td>
<td>10.72</td>
<td>13.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Russell Midcap</td>
<td>24.61</td>
<td>-2.24</td>
<td>2.41</td>
<td>4.28</td>
<td>10.49</td>
<td></td>
</tr>
<tr>
<td>Russell 2000</td>
<td>25.42</td>
<td>-6.63</td>
<td>-2.01</td>
<td>4.28</td>
<td>10.49</td>
<td></td>
</tr>
<tr>
<td>Russell 3000</td>
<td>22.03</td>
<td>6.53</td>
<td>6.53</td>
<td>10.03</td>
<td>6.53</td>
<td></td>
</tr>
<tr>
<td>Russell 1000 - Value</td>
<td>14.29</td>
<td>-8.84</td>
<td>-8.84</td>
<td>1.82</td>
<td>4.64</td>
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</tr>
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</tr>
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<td>Russell 1000 - Defensive</td>
<td>15.85</td>
<td>4.80</td>
<td>4.80</td>
<td>11.10</td>
<td>10.66</td>
<td>13.33</td>
</tr>
<tr>
<td>Russell 1000 - Dynamic</td>
<td>27.89</td>
<td>9.00</td>
<td>9.00</td>
<td>8.85</td>
<td>8.85</td>
<td></td>
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<tr>
<td>Russell 1000 - Momentum</td>
<td>24.66</td>
<td>-4.37</td>
<td>-4.37</td>
<td>3.67</td>
<td>5.72</td>
<td>12.75</td>
</tr>
<tr>
<td>Russell 1000 - Low Volatility</td>
<td>18.95</td>
<td>-5.86</td>
<td>-5.86</td>
<td>5.63</td>
<td>8.06</td>
<td>14.22</td>
</tr>
</tbody>
</table>

**Currencies % Change**

<table>
<thead>
<tr>
<th>Country Currency</th>
<th>Prior Close</th>
<th>MTD</th>
<th>QTD</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>0.68</td>
<td>0.66</td>
<td>0.65</td>
<td>0.67</td>
</tr>
<tr>
<td>Canada</td>
<td>0.53</td>
<td>0.53</td>
<td>0.53</td>
<td>0.70</td>
</tr>
<tr>
<td>Brazil (USD)</td>
<td>5.76</td>
<td>5.76</td>
<td>5.76</td>
<td>5.76</td>
</tr>
<tr>
<td>China</td>
<td>0.51</td>
<td>0.51</td>
<td>0.51</td>
<td>0.51</td>
</tr>
<tr>
<td>Russia</td>
<td>5.74</td>
<td>5.74</td>
<td>5.74</td>
<td>5.74</td>
</tr>
</tbody>
</table>

**World Bond Markets**

<table>
<thead>
<tr>
<th>Indexes</th>
<th>QTD</th>
<th>FYTD</th>
<th>1Yr</th>
<th>3Yr (ann)</th>
<th>5Yr (ann)</th>
<th>10Yr (ann)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays US Agg</td>
<td>3.60</td>
<td>8.74</td>
<td>8.74</td>
<td>4.30</td>
<td>3.82</td>
<td></td>
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<tr>
<td>Barclays US 1-3 yr Treasury</td>
<td>0.88</td>
<td>4.00</td>
<td>4.00</td>
<td>2.82</td>
<td>2.08</td>
<td></td>
</tr>
<tr>
<td>Barclays US 3-7 yr Treasury</td>
<td>0.71</td>
<td>8.26</td>
<td>8.26</td>
<td>4.69</td>
<td>3.48</td>
<td></td>
</tr>
<tr>
<td>Barclays US Aggregate LT Treasury</td>
<td>0.25</td>
<td>25.41</td>
<td>25.41</td>
<td>12.03</td>
<td>9.25</td>
<td></td>
</tr>
<tr>
<td>Barclays US Aggregate Credit</td>
<td>8.22</td>
<td>9.07</td>
<td>9.07</td>
<td>5.13</td>
<td>5.23</td>
<td></td>
</tr>
<tr>
<td>Barclays US Corp HY</td>
<td>10.18</td>
<td>0.03</td>
<td>0.03</td>
<td>3.33</td>
<td>4.78</td>
<td></td>
</tr>
<tr>
<td>Barclays Global Agg</td>
<td>3.32</td>
<td>4.22</td>
<td>4.22</td>
<td>3.79</td>
<td>5.55</td>
<td></td>
</tr>
</tbody>
</table>

**Currencies % Change**

<table>
<thead>
<tr>
<th>Country Currency</th>
<th>Prior Close</th>
<th>MTD</th>
<th>QTD</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>0.68</td>
<td>0.66</td>
<td>0.65</td>
<td>0.67</td>
</tr>
<tr>
<td>Canada</td>
<td>0.53</td>
<td>0.53</td>
<td>0.53</td>
<td>0.70</td>
</tr>
<tr>
<td>Brazil (USD)</td>
<td>5.76</td>
<td>5.76</td>
<td>5.76</td>
<td>5.76</td>
</tr>
<tr>
<td>China</td>
<td>0.51</td>
<td>0.51</td>
<td>0.51</td>
<td>0.51</td>
</tr>
<tr>
<td>Russia</td>
<td>5.74</td>
<td>5.74</td>
<td>5.74</td>
<td>5.74</td>
</tr>
</tbody>
</table>

**Strong Market Recovery in 2Q 2020**

Green = USD Stronger Red = USD Weaker

---

*As of June 30, 2020

^Equity returns are in USD. Foreign Indices (*) are expressed as net total return where available.
Market Review

Global Equity

S&P 500 vs. R2000 vs. MSCI EM vs. MSCI EAFE (Daily, Cum. Return)

*As of June 30, 2020
^Equity returns are in USD
I. VCIMCO Update
II. Market Review
III. Investment Update
Ram Fund Activity as % of Portfolio – March to May 2020

- Funded 3 new managers: ~9.5%
- Exited 2 managers: ~5.5%
- Added to 5 existing managers: ~3.0%
- Added Equity Exposure: ~4.0%


## Performance Review

### Virginia Commonwealth University Long Term & Glasgow Performance in VCIMCO Funds (as of 06/30/2020)

<table>
<thead>
<tr>
<th>% Allocation</th>
<th>ITD (1)</th>
<th>FYTD</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>18.3%</td>
<td>10.2%</td>
<td>1.0%</td>
</tr>
<tr>
<td>International</td>
<td>29.1%</td>
<td>6.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Total Long</td>
<td>47.4%</td>
<td>7.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Long / Short</td>
<td>17.8%</td>
<td>7.5%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>3.9%</td>
<td>3.5%</td>
<td>-20.4%</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>69.1%</strong></td>
<td><strong>7.3%</strong></td>
<td><strong>1.8%</strong></td>
</tr>
<tr>
<td>MSCI All Country World Equity</td>
<td></td>
<td>9.2%</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Credit &amp; Absolute Return</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barclays US HY Index</td>
<td>20.8%</td>
<td>2.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td><strong>Real Assets</strong></td>
<td>3.9%</td>
<td>-7.3%</td>
<td>-21.3%</td>
</tr>
<tr>
<td>MSCI ACWI Real Estate</td>
<td></td>
<td>1.8%</td>
<td>-10.5%</td>
</tr>
<tr>
<td><strong>Treasuries</strong></td>
<td>6.2%</td>
<td>1.1%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Barclays US Aggregate</td>
<td></td>
<td>3.9%</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>Total (Net)</strong></td>
<td>100.0%</td>
<td>4.7%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Policy Benchmark (2)</td>
<td></td>
<td>7.3%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

(1) Initial investment May 1, 2016

(2) MSCI ACWI/Barclays Agg/MSCI ACW RE (65%/25%/10%)
Estimated Ram Fund FY 2021 Performance

- Ram Fund: 8.3%
- Long-Term Benchmark*: 8.3%

Note: as of August 31, 2020

*Long-Term Benchmark is 65% MSCI All Country World, 25% Barclays Aggregate Bond Index, and 10% MSCI Real Estate.
Representative Portfolio Summary

Representative Portfolio Evolution

*As of June 30, 2020*
Historical Beta

*As of June 30, 2020

VCIMCO Beta Over Time

- Beta
- Rolling 12-mo

*As of June 30, 2020
### Underlying Risk Exposures – Gross & Net

**Virginia Commonwealth University**

**Representative Portfolio**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>%</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>65.6%</td>
<td>40.0%</td>
<td>70.0%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>4.3%</td>
<td>0.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Credit</td>
<td>15.4%</td>
<td>5.0%</td>
<td>45.0%</td>
</tr>
<tr>
<td>Sovereign</td>
<td>3.7%</td>
<td>0.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Cash Total</td>
<td>11.0%</td>
<td>0.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Cash - Manager Held</td>
<td>-2.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash - Short Proceeds</td>
<td>11.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash - VCIMCO Held</td>
<td>2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total (Net)</strong></td>
<td><strong>100.0%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Underlying Exposures – Geography (Net)

<table>
<thead>
<tr>
<th>Region</th>
<th>Exposure</th>
<th>Target Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>55.9%</td>
<td>25-75%</td>
</tr>
<tr>
<td>EMEA</td>
<td>14.3%</td>
<td>0-50%</td>
</tr>
<tr>
<td>Asia</td>
<td>15.8%</td>
<td>0-40%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>3.0%</td>
<td>0-20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>89.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas (Dev)</td>
<td>55.5%</td>
</tr>
<tr>
<td>EMEA (Dev)</td>
<td>13.2%</td>
</tr>
<tr>
<td>Asia (Dev)</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total Developed</strong></td>
<td><strong>73.7%</strong></td>
</tr>
<tr>
<td>Americas (EM)</td>
<td>0.4%</td>
</tr>
<tr>
<td>EMEA (EM)</td>
<td>1.1%</td>
</tr>
<tr>
<td>Asia (EM)</td>
<td>10.8%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Total EM &amp; RoW</strong></td>
<td><strong>15.3%</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>89.0%</strong></td>
</tr>
</tbody>
</table>
**Underlying Exposures – Equity Sectors (Net)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Exposure</th>
<th>All-Country World</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>1.2%</td>
<td>2.2%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Materials</td>
<td>1.1%</td>
<td>3.0%</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Industrials</td>
<td>7.2%</td>
<td>6.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Consumer Discr.</td>
<td>9.9%</td>
<td>7.6%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>3.3%</td>
<td>5.2%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Health Care</td>
<td>7.3%</td>
<td>8.3%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Financials</td>
<td>9.2%</td>
<td>8.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Information Tech.</td>
<td>12.9%</td>
<td>13.3%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Communication Serv.</td>
<td>12.3%</td>
<td>6.1%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.5%</td>
<td>2.0%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1.3%</td>
<td>1.9%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Other</td>
<td>-0.6%</td>
<td>0.8%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Total</td>
<td>65.6%</td>
<td>65.0%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

*As of June 30, 2020*
Small, Women-Owned, Minority-Owned (SWaM) Results FY20
SWaM Spend Year Over Year

Total SWaM Spend*

FY19

$83,204,593

43.1% of Discretionary Spend

23.6% growth FY19 to FY20

FY20

$102,865,132

46.2% of Discretionary Spend

* Reported to Virginia Department of Small Business and Supplier Diversity (SBSD)
FY20 Total SWaM Spend (by Category)

- **SBSD Certified**
  - MBE: $6.4M
  - Micro: $1.9M
  - WBE: $5.9M
  - SBE: $88.6M

- **SBSD + Self ID SWaM**
  - MBE: $6.8M
  - Micro/Sole Proprietor: $7.6M
  - WBE: $6.7M
  - SBE: $90.5M

*Includes spend with firms meeting SWaM criteria - Not certified by or reported to SBSD*
Average Number of SWaM Certified Businesses (certified by SBSD)

* Source is VCU 2018 Economic Impact Study
VCU Supports SWaM

- **Build Capacity:** SWaM Spot Awards program made $1.7M in SWaM awards in FY20
- **Educate:** SWaM Connect Series provides learning opportunities, develops relationships and connects SWaM’s with VCU
- **Leadership:** VCU Hosted SWaM Fest FY ‘20
- **Resources:** Developing a web-based search engine for sourcing from SWaM businesses
- **Accurate Reporting:** to SBSD and separately to measure spend with firms that meet SWaM criteria but aren’t certified SBSD
- **Results:** 55% increased usage of MBEs and 25% increased usage of WBEs since FY18
Treasurer’s Report
As of June 30, 2020

Finance and Budget, Karol Kain Gray, September 18, 2020
Total University Funds Overview for the Period Ending June 30, 2020

Central Bank VCU#2 Account, $8.35, 2%
Central Bank Unrestricted Fund, $2.76, 1%
Bank Funds, $137.82, 27%
Primary Liquidity Funds, $5.01, 1%
Glasgow Endowment, $46.66, 9%
Quasi Endowment, $91.84, 18%
Extended Duration Funds, $209.17, 42%

Total University Funds $501.61M

1-Year Investment Funds Performance

<table>
<thead>
<tr>
<th>Short-Term Tier</th>
<th>Long-Term Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark</td>
<td>4.05%</td>
</tr>
<tr>
<td></td>
<td>3.62%</td>
</tr>
<tr>
<td>Short-Term Tier</td>
<td>3.20%</td>
</tr>
<tr>
<td></td>
<td>2.85%</td>
</tr>
</tbody>
</table>
Short-Term and Long-Term Tier Performance and Asset Allocation as of June 30, 2020

Note: The table above includes assets still held in custody by JPMorgan some of which will be transferred into The Ram Fund upon liquidation. These assets are not managed by VCIMCO but are included above at the request of VCU and for completeness of the Long-Term Tier.

### Short-Term Tier

<table>
<thead>
<tr>
<th>Short-Term Tier</th>
<th>Market Value</th>
<th>Current Allocation</th>
<th>Total Return</th>
<th>3 Yr Return</th>
<th>5 Yrs Return</th>
<th>Since July-09 Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Liquidity Funds (Payden &amp; Rygel)</td>
<td>$5,010,166</td>
<td>2.3%</td>
<td>0.40%</td>
<td>1.96%</td>
<td>1.82%</td>
<td>1.28%</td>
</tr>
<tr>
<td>IMoneyNet MM All Taxable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Return</td>
<td>0.05%</td>
<td>0.08%</td>
<td>-0.04%</td>
<td>-0.14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Return</td>
<td>0.35%</td>
<td>1.88%</td>
<td>1.81%</td>
<td>1.32%</td>
<td>0.81%</td>
<td></td>
</tr>
<tr>
<td>BofA ML US Corp &amp; Gov 1-3Y Blended Index</td>
<td>$209,167,505</td>
<td>97.7%</td>
<td>2.10%</td>
<td>4.38%</td>
<td>3.00%</td>
<td>2.26%</td>
</tr>
<tr>
<td>Price Return</td>
<td>1.22%</td>
<td>4.18%</td>
<td>0.94%</td>
<td>0.92%</td>
<td>1.03%</td>
<td></td>
</tr>
<tr>
<td>Income Return</td>
<td>0.65%</td>
<td>2.51%</td>
<td>2.30%</td>
<td>2.13%</td>
<td>2.14%</td>
<td></td>
</tr>
<tr>
<td>Total Short-Term Tier</td>
<td>$214,177,671</td>
<td>100.0%</td>
<td>1.83%</td>
<td>4.05%</td>
<td>2.82%</td>
<td>2.03%</td>
</tr>
</tbody>
</table>

### Long-Term Tier

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Value</th>
<th>Current Allocation</th>
<th>VCU Strategic Allocation</th>
<th>Total Return</th>
<th>3 Yr Return</th>
<th>5 Yrs Return</th>
<th>Since April-12 Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCIMCO Equity</td>
<td>$84,703,347</td>
<td>61.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP Morgan Equity</td>
<td>$180,252</td>
<td>0.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>$84,883,600</td>
<td>61.2%</td>
<td>65.0%</td>
<td>24.59%</td>
<td>3.81%</td>
<td>4.36%</td>
<td>4.53%</td>
</tr>
<tr>
<td>MSCI All Country World Index</td>
<td></td>
<td></td>
<td></td>
<td>19.22%</td>
<td>2.11%</td>
<td>6.14%</td>
<td>6.55%</td>
</tr>
<tr>
<td>Real Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCIMCO Real Assets</td>
<td>$6,081,505</td>
<td>4.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP Morgan Real Assets</td>
<td>$797,488</td>
<td>0.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>$6,878,993</td>
<td>5.0%</td>
<td>10.0%</td>
<td>21.82%</td>
<td>-18.57%</td>
<td>-3.88%</td>
<td>-0.02%</td>
</tr>
<tr>
<td>MSCI ACWI Real Estate Index</td>
<td></td>
<td></td>
<td></td>
<td>11.03%</td>
<td>-10.47%</td>
<td>1.24%</td>
<td>2.80%</td>
</tr>
<tr>
<td>Fixed Income and Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCIMCO Fixed Income and Cash</td>
<td>$46,794,859</td>
<td>33.7%</td>
<td></td>
<td>33.7%</td>
<td>17.38%</td>
<td>3.76%</td>
<td>3.39%</td>
</tr>
<tr>
<td>JP Morgan Fixed Income and Cash</td>
<td>$175,446</td>
<td>0.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>$46,970,305</td>
<td>33.9%</td>
<td>25.0%</td>
<td>0.00%</td>
<td>-1.06%</td>
<td>-0.10%</td>
<td>-0.12%</td>
</tr>
<tr>
<td>Barclays US Aggregate Index</td>
<td></td>
<td></td>
<td></td>
<td>2.90%</td>
<td>8.74%</td>
<td>5.32%</td>
<td>4.30%</td>
</tr>
<tr>
<td>Total Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VCIMCO - Total</td>
<td>$137,579,711</td>
<td>99.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP Morgan - Total</td>
<td>$1,153,186</td>
<td>0.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>$138,732,897</td>
<td>100.0%</td>
<td></td>
<td>17.38%</td>
<td>3.20%</td>
<td>3.76%</td>
<td>3.39%</td>
</tr>
<tr>
<td>Composite Benchmark</td>
<td></td>
<td></td>
<td></td>
<td>14.19%</td>
<td>2.85%</td>
<td>5.74%</td>
<td>5.25%</td>
</tr>
<tr>
<td>Net Liabilities - VCIMCO Funds</td>
<td>$ (230,330)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Asset Value - Long-Term Tier</td>
<td>$138,502,567</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Long Term Tier and Short Term Tier</td>
<td>$352,680,238</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Central Bank Performance and Asset Allocation as of June 30, 2020

VCU Finance Central Bank Asset Allocation for the Period Ending: 6/30/2020

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>$ AUM</th>
<th>(%)</th>
<th>Q2 2020</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ram Fund, LP</td>
<td>$ 5,152,130</td>
<td>46.3%</td>
<td>24.67%</td>
<td>3.69%</td>
</tr>
<tr>
<td>MSCI All Country World Index</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ram Fund, LP</td>
<td>$ 369,911</td>
<td>3.3%</td>
<td>25.73%</td>
<td>-19.69%</td>
</tr>
<tr>
<td>MSCI ACWI Real Estate Index</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income &amp; Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ram Fund, LP</td>
<td>$ 2,846,324</td>
<td>25.6%</td>
<td>0.21%</td>
<td>7.63%</td>
</tr>
<tr>
<td>Barclays US Aggregate Index</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Bank Summary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ram Fund, LP (Gross)</td>
<td>$ 8,368,365</td>
<td>75.2%</td>
<td>20.32%</td>
<td>3.70%</td>
</tr>
<tr>
<td>Composite Benchmark ¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payden &amp; Rygel</td>
<td>$ 2,761,224</td>
<td>24.8%</td>
<td>14.19%</td>
<td>2.59%</td>
</tr>
<tr>
<td>iMoneyNet MM All Taxable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 11,129,589</td>
<td>100.0%</td>
<td>13.97%</td>
<td>3.01%</td>
</tr>
<tr>
<td>Net Liabilities - VCIMCO Funds</td>
<td>$ (14,842)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Bank (Net)</td>
<td>$ 11,114,747</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ The Composite Benchmark is composed of 65% MSCI ACWI, 25% Barclays Agg, and 10% MSCI ACWI Real Estate.
Annual Statement of Compliance

• The VCU Investment Policy requires an annual report to the BOV showing compliance for both the Short-Term Tier and the Long-Term Tier.

• Pages 6 – 11 meet this annual requirement.
Short-Term Tier Policy Requirements

• VCU Investment Policy requires a quarterly report to the Board of Visitors, which includes at a minimum;
  - Investment performance (net of fees) for the Short-Term Tier versus the appropriate benchmarks (see page 3);
  - Actual asset allocations (see page 7);
  - Any investments that required management notification (such as credit downgrades or duration changes) (None to Report); and
  - A statement from each investment manager certifying compliance with the Virginia Investment of Public Funds Act (see page 9).

• The Policy also requires an annual report, which includes at a minimum;
  - A certificate showing compliance with the Investment Policy, specifically the Authorized Investments, diversification restrictions, duration, maturity and credit quality constraints (see pages 7 & 8).
### Authorized Investments, Diversification Restrictions and Credit Quality Constraints

<table>
<thead>
<tr>
<th>Authorized Investments</th>
<th>Policy Max %</th>
<th>Minimum Rating</th>
<th>Actual Min Rating</th>
<th>Max Maturity</th>
<th>Policy Max %</th>
<th>Minimum Rating</th>
<th>Actual Min Rating</th>
<th>Max Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>100%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>100%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>U.S. Treasury and Agency Securities</td>
<td>100%</td>
<td>89%</td>
<td>Fed insured and VSPDA collateralized</td>
<td>n/a</td>
<td>n/a</td>
<td>2.75 years</td>
<td>n/a</td>
<td>100%</td>
</tr>
<tr>
<td>Non-Negotiable Certificates of Deposit (CDs)</td>
<td>5%</td>
<td>0%</td>
<td>A-1, P-1 for 1yr or less/AA-</td>
<td>n/a</td>
<td>5 years</td>
<td>n/a</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Negotiable CDs and/or Negotiable Bank Deposit Notes</td>
<td>20%</td>
<td>0%</td>
<td>A-1/P-1 for 1yr or less/AA-</td>
<td>n/a</td>
<td>3 years</td>
<td>A-1/P-1</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>Overnight/Open Treasury/Agency Repurchase Agreements</td>
<td>100%</td>
<td>0%</td>
<td>Treasury/Agency/GSE collateralized</td>
<td>n/a</td>
<td>overnight</td>
<td>n/a</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Overnight/Open non-Treasury/Agency Repurchase Agreement</td>
<td>50%</td>
<td>0%</td>
<td>GSE collateralized</td>
<td>n/a</td>
<td>overnight</td>
<td>n/a</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Term Repurchase Agreements</td>
<td>20%</td>
<td>0%</td>
<td>Treasury/Agency/GSE collateralized</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Banker’s Acceptances</td>
<td>40%</td>
<td>0%</td>
<td>A-1, P-1</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>35%</td>
<td>0%</td>
<td>A-1, P-1, F-1, D-1</td>
<td>n/a</td>
<td>370 days</td>
<td>n/a</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>35%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Corporate Notes/Bonds</td>
<td>25%</td>
<td>19%</td>
<td>A-, A3</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>40%</td>
<td>39%</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>10%</td>
<td>0%</td>
<td>A-, A3</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>Combined Agency MBS, Agency/Private CMOs, CMBS, RMBS, PA</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>5 years</td>
<td>n/a</td>
<td>50%</td>
<td>15%</td>
</tr>
<tr>
<td>Agency Mortgage-Backed Securities (MBS)</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>50%</td>
<td>7%</td>
</tr>
<tr>
<td>Agency CMOs (including PACs)</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Commercial Mortgage-Backed Securities (CMBS)</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Private Label Residential Mortgages (including CMOs &amp; PA)</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>International Development Bank Obligations</td>
<td>0%</td>
<td>0%</td>
<td>AAA</td>
<td>n/a</td>
<td>3 years</td>
<td>n/a</td>
<td>5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Liquidity Fund (Payden &amp; Rygel)</th>
<th>Extended Duration Fund (Mergerstat)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Max %</td>
<td>Actual %</td>
</tr>
<tr>
<td>Cash</td>
<td>100%</td>
</tr>
<tr>
<td>U.S. Treasury and Agency Securities</td>
<td>100%</td>
</tr>
<tr>
<td>Non-Negotiable Certificates of Deposit (CDs)</td>
<td>5%</td>
</tr>
<tr>
<td>Negotiable CDs and/or Negotiable Bank Deposit Notes</td>
<td>20%</td>
</tr>
<tr>
<td>Overnight/Open Treasury/Agency Repurchase Agreements</td>
<td>100%</td>
</tr>
<tr>
<td>Overnight/Open non-Treasury/Agency Repurchase Agreement</td>
<td>50%</td>
</tr>
<tr>
<td>Term Repurchase Agreements</td>
<td>20%</td>
</tr>
<tr>
<td>Banker’s Acceptances</td>
<td>40%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>35%</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>35%</td>
</tr>
<tr>
<td>Corporate Notes/Bonds</td>
<td>25%</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>10%</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>0%</td>
</tr>
<tr>
<td>Combined Agency MBS, Agency/Private CMOs, CMBS, RMBS, PA</td>
<td>0%</td>
</tr>
<tr>
<td>Agency Mortgage-Backed Securities (MBS)</td>
<td>0%</td>
</tr>
<tr>
<td>Agency CMOs (including PACs)</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial Mortgage-Backed Securities (CMBS)</td>
<td>0%</td>
</tr>
<tr>
<td>Private Label Residential Mortgages (including CMOs &amp; PA)</td>
<td>0%</td>
</tr>
<tr>
<td>International Development Bank Obligations</td>
<td>0%</td>
</tr>
</tbody>
</table>
## Duration Constraints Comply with the Investment Policy

<table>
<thead>
<tr>
<th>Fund</th>
<th>Policy Maximum Duration</th>
<th>Allowable Duration Deviation</th>
<th>Fund Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Liquidity Fund</td>
<td>9 months</td>
<td>+10%</td>
<td>0.6 months</td>
</tr>
<tr>
<td>Extended Duration Fund</td>
<td>ML 1-3 Yr Govt/Corp</td>
<td>+10%</td>
<td>1.8 years</td>
</tr>
<tr>
<td>Short Duration Portfolio</td>
<td>(1.8 years)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Statements from investment managers certifying Compliance with the Virginia Investment of Public Funds Act

• Payden & Rygel (Primary Liquidity Fund Manager) has provided a statement attesting to compliance with the VCU Investment Policy and the Investment of Public Funds Act.

This letter certifies that, as of June 30, 2020, all investments in the VCU Primary Liquidity Fund were in compliance with the VCU Investment Policy, which we understand to be in compliance with the Virginia Investment of Public Funds Act. Holdings were within the allowable universe of investments.

• Merganser (Extended Duration Fund Manager) has provided a statement attesting to compliance with the VCU Investment Policy and the Investment of Public Funds Act.

This letter certifies that all investments in the VCU Extended Duration Fund were in compliance with the VCU Investment Policy and the Virginia Investment of Public Funds Act as of June 30, 2020.
Long-Term Tier Policy Requirements

• VCU Investment Policy requires a quarterly report to the Board of Visitors, which includes at a minimum;
  - Investment performance (net of fees) for the Long-Term Tier versus the appropriate benchmarks (see page 3); and
  - Actual asset allocations of the Long-Term Tier versus the Strategic Asset Allocations (see page 11).

• The Policy also requires an annual report, which includes at a minimum;
  - A report showing compliance with the Investment Policy (see pages 11);
  - Status of investments that may require management attention (such as changes to the Strategic Asset Allocation). (none to report ); and
  - Spending policy payouts and reinvestments for the Long-Term Tier:
    - For FY20 Glasgow distributed all of the $2.17 million allowed under the spending policy and the Quasi Endowment distributed all of the $4.36 million allowed under the spending policy.
    - Both Glasgow and the Quasi Endowment also paid out a 1% administrative fee of $1.45 million total, which funded central University budgets.
## Long-Term Tier Compliance Summary for the Period Ending June 30, 2020

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Value</th>
<th>Actual Allocation</th>
<th>Min</th>
<th>Target</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>$84,883,600</td>
<td>61.2%</td>
<td>40.00%</td>
<td>65.00%</td>
<td>70.00%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>$6,878,993</td>
<td>5.0%</td>
<td>0.00%</td>
<td>10.00%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Fixed Income &amp; Cash</td>
<td>$46,970,305</td>
<td>33.9%</td>
<td>10.00%</td>
<td>20.00%</td>
<td>45.00%</td>
</tr>
<tr>
<td>Total VCIMCO Funds</td>
<td>$138,732,897</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The Strategic Asset Allocation targets and ranges are based on the revised VCU Investment Policy (approved on 03/22/17).
- As of 06/30/20 all asset classes are in compliance.
- The actual allocation shown is based on actual holdings reported or asset class exposures for investments that do not provide security holdings.

*Note: The table above includes assets still held in custody by JPMorgan some of which will be transferred into The Ram Fund upon liquidation. These assets are not managed by VCIMCO but are included above at the request of VCU and for completeness of the Long-Term Tier.*
# Virginia Commonwealth University
## FY 2019-2020 University Budget Plan
### Sources and Uses Summary (in thousands)

<table>
<thead>
<tr>
<th>FY 2019-2020 Sources</th>
<th>Educational &amp; General Programs</th>
<th>Sponsored Programs</th>
<th>Auxiliary Enterprises</th>
<th>Qatar</th>
<th>University Financial Assistance</th>
<th>Hospital Services</th>
<th>Total University</th>
<th>Change from 2018-19 Budget Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State General Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Appropriations</td>
<td>$193,273</td>
<td>$14,013</td>
<td>- $</td>
<td>-</td>
<td>- $35,196</td>
<td>- $</td>
<td>$242,482</td>
<td>13.2%</td>
</tr>
<tr>
<td>Central Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>State General Fund</strong></td>
<td>$193,273</td>
<td>$14,013</td>
<td>- $</td>
<td>-</td>
<td>- $35,196</td>
<td>- $</td>
<td>$242,482</td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>Nongeneral Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>458,638</td>
<td>-</td>
<td>59,663</td>
<td>-</td>
<td>46,879</td>
<td>-</td>
<td>518,301</td>
<td>2.7%</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>-</td>
<td>293,688</td>
<td>-</td>
<td>-</td>
<td>46,370</td>
<td>-</td>
<td>327,391</td>
<td>26.0%</td>
</tr>
<tr>
<td>Federal Stimulus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Gifts and Investment Earnings</td>
<td>100</td>
<td>-</td>
<td>5,158</td>
<td>-</td>
<td>52,137</td>
<td>-</td>
<td>52,137</td>
<td>7.9%</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>9,282</td>
<td>-</td>
<td>90,282</td>
<td>40,096</td>
<td>30,416</td>
<td>-</td>
<td>180,068</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other Sources</td>
<td>4,969</td>
<td>-</td>
<td>8,353</td>
<td>-</td>
<td>18,568</td>
<td>-</td>
<td>30,006</td>
<td>67.2%</td>
</tr>
<tr>
<td><strong>Total Nongeneral Funds</strong></td>
<td>472,989</td>
<td>293,688</td>
<td>163,456</td>
<td>40,096</td>
<td>33,703</td>
<td>30,416</td>
<td>1,086,473</td>
<td>9.6%</td>
</tr>
<tr>
<td>Transfers (in) out</td>
<td>10,025</td>
<td>(10,025)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total University Sources</strong></td>
<td>$676,287</td>
<td>$297,676</td>
<td>$163,456</td>
<td>$40,096</td>
<td>$52,125</td>
<td>$68,899</td>
<td>$30,416</td>
<td>$1,328,955</td>
</tr>
</tbody>
</table>

| FY 2019-2020 Uses       | $332,224                      | -                   | $4,973                | -     | -                              | -                 | 377,293        | 0.9%                        |
| Instruction             | 15,991                        | 288,503             | -                     | 10,564| -                              | -                 | 315,058        | 27.8%                       |
| Research                | 4,980                         | -                   | 1,912                 | -     | -                              | -                 | 6,892          | 0.6%                        |
| Public Service          | 111,579                       | 729                 | -                     | 12,327| -                              | -                 | 124,635        | 11.8%                       |
| Academic Support        | 15,022                        | -                   | 705                   | -     | -                              | -                 | 15,727         | -4.8%                       |
| Student Services        | 103,805                       | 1,178               | -                     | 9,854 | -                              | -                 | 114,317        | 19.6%                       |
| Institutional Support   | 59,786                        | 3,870               | -                     | 1,183 | 1,000                          | -                 | 65,839         | 1.8%                        |
| Operation and Maintenance of Plant | 5,446 | 1,716 | - | 10,607 | 101,688 | - | 119,457 | 12.2% |
| Scholarships and Fellowships | 4,969 | - | 161,399 | - | - | - | 161,399 | 5.7% |
| Auxiliary Enterprises   | -                             | -                   | 29,416                | -     | -                              | -                 | 29,416         | 25.9%                       |
| Hospital Services       | -                             | -                   | -                     | -     | -                              | -                 | -              | 25.9%                       |
| Subtotal Uses           | 648,833                       | 295,996             | 161,399               | 40,096| 52,125                         | 101,688           | 30,416         | 1,330,553      | 11.0%                       |
| Transfers (in) out      | 28,661                        | 4,128               | -                     | (32,789)| -                              | -                 | -              | n/a                        |
| Addition to Reserves    | (4,544)                       | (6,748)             | -                     | -     | -                              | -                 | (11,292)       | 187.0%                     |
| Contingencies           | 3,337                         | 1,680               | 4,677                 | -     | -                              | -                 | 9,694          | -3.3%                       |
| Subtotal Contingencies and Transfers | 27,454 | 1,680 | 2,057 | - | (32,789) | - | 9,694 | -3.3% |
| **Total University Uses** | $676,287                      | $297,676            | $163,456              | $40,096| $52,125                        | $68,899           | $30,416        | $1,328,955    | 9.9%                        |

(1) Per the state budget, nongeneral fund appropriation from E&G programs and from Auxiliary Services was required to be transferred to Student Financial Assistance to more accurately reflect aid to...
<table>
<thead>
<tr>
<th></th>
<th>BOV Book</th>
<th>FY19 YE</th>
<th>FY20 YE</th>
<th>$ Variance</th>
<th>% Variance</th>
<th>Actuals</th>
<th>$ Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 State General Funds</td>
<td>193,273</td>
<td>178,062</td>
<td>195,185</td>
<td>17,123</td>
<td>9.6%</td>
<td>1,912</td>
<td>1,912</td>
<td>1.0%</td>
</tr>
<tr>
<td>3 Educational and General</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Tuition</td>
<td>431,284</td>
<td>417,220</td>
<td>408,156</td>
<td>-9,064</td>
<td>-2.2%</td>
<td>-23,128</td>
<td>-23,128</td>
<td>-5.4%</td>
</tr>
<tr>
<td>5 Fees</td>
<td>27,354</td>
<td>31,430</td>
<td>30,390</td>
<td>-1,041</td>
<td>-3.3%</td>
<td>3,036</td>
<td>3,036</td>
<td>11.1%</td>
</tr>
<tr>
<td>6 Sponsored Programs &amp; FACR</td>
<td>307,701</td>
<td>227,172</td>
<td>262,525</td>
<td>35,353</td>
<td>15.6%</td>
<td>-45,176</td>
<td>-45,176</td>
<td>-14.7%</td>
</tr>
<tr>
<td>7 Student Financial Assistance</td>
<td>68,899</td>
<td>81,180</td>
<td>85,672</td>
<td>4,492</td>
<td>5.5%</td>
<td>16,773</td>
<td>16,773</td>
<td>24.3%</td>
</tr>
<tr>
<td>8 Auxiliary Enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Auxiliary Revenue</td>
<td>103,793</td>
<td>97,046</td>
<td>76,662</td>
<td>-20,384</td>
<td>-21.0%</td>
<td>-27,131</td>
<td>-27,131</td>
<td>-26.1%</td>
</tr>
<tr>
<td>10 University Fee</td>
<td>59,663</td>
<td>54,830</td>
<td>55,153</td>
<td>323</td>
<td>0.6%</td>
<td>-4,510</td>
<td>-4,510</td>
<td>-7.6%</td>
</tr>
<tr>
<td>11 Hospital Services</td>
<td>30,416</td>
<td>28,478</td>
<td>46,627</td>
<td>18,149</td>
<td>63.7%</td>
<td>16,211</td>
<td>16,211</td>
<td>53.3%</td>
</tr>
<tr>
<td>12 Qatar</td>
<td>40,096</td>
<td>39,321</td>
<td>38,971</td>
<td>-350</td>
<td>-0.9%</td>
<td>-1,125</td>
<td>-1,125</td>
<td>-2.8%</td>
</tr>
<tr>
<td>13 Gifts*</td>
<td>34,729</td>
<td>33,167</td>
<td>35,626</td>
<td>2,460</td>
<td>7.4%</td>
<td>897</td>
<td>897</td>
<td>2.6%</td>
</tr>
<tr>
<td>14 Foundation, Endowment, and Investment Income*</td>
<td>12,250</td>
<td>12,077</td>
<td>22,802</td>
<td>10,725</td>
<td>88.8%</td>
<td>10,552</td>
<td>10,552</td>
<td>86.1%</td>
</tr>
<tr>
<td>15 Sales, Services, and Other Revenues*</td>
<td>19,497</td>
<td>36,297</td>
<td>37,860</td>
<td>1,563</td>
<td>4.3%</td>
<td>18,363</td>
<td>18,363</td>
<td>94.2%</td>
</tr>
<tr>
<td>16 Total Revenues</td>
<td>1,328,955</td>
<td>1,236,280</td>
<td>1,295,629</td>
<td>59,349</td>
<td>4.8%</td>
<td>-33,326</td>
<td>-33,326</td>
<td>-2.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>BOV Book</th>
<th>FY19 YE</th>
<th>FY20 YE</th>
<th>$ Variance</th>
<th>% Variance</th>
<th>Actuals</th>
<th>$ Variance</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 Educational and General</td>
<td>643,498</td>
<td>624,430</td>
<td>632,828</td>
<td>8,399</td>
<td>1.3%</td>
<td>-10,670</td>
<td>-10,670</td>
<td>-1.7%</td>
</tr>
<tr>
<td>19 Sponsored Programs &amp; FACR</td>
<td>297,676</td>
<td>234,908</td>
<td>254,983</td>
<td>20,075</td>
<td>8.5%</td>
<td>-42,693</td>
<td>-42,693</td>
<td>-14.3%</td>
</tr>
<tr>
<td>20 Auxiliary Enterprises</td>
<td>163,456</td>
<td>152,027</td>
<td>135,192</td>
<td>-16,835</td>
<td>-11.1%</td>
<td>-28,264</td>
<td>-28,264</td>
<td>-17.3%</td>
</tr>
<tr>
<td>21 Restricted &amp; Unrestricted Funds</td>
<td>52,125</td>
<td>61,673</td>
<td>69,418</td>
<td>7,745</td>
<td>12.6%</td>
<td>17,293</td>
<td>17,293</td>
<td>33.2%</td>
</tr>
<tr>
<td>22 Student Financial Assistance</td>
<td>101,688</td>
<td>107,532</td>
<td>115,667</td>
<td>8,135</td>
<td>7.6%</td>
<td>13,979</td>
<td>13,979</td>
<td>13.7%</td>
</tr>
<tr>
<td>23 Hospital Services</td>
<td>30,416</td>
<td>30,440</td>
<td>49,001</td>
<td>18,562</td>
<td>61.0%</td>
<td>18,585</td>
<td>18,585</td>
<td>61.1%</td>
</tr>
<tr>
<td>24 Qatar</td>
<td>40,096</td>
<td>39,204</td>
<td>38,827</td>
<td>-377</td>
<td>-1.0%</td>
<td>-1,269</td>
<td>-1,269</td>
<td>-3.2%</td>
</tr>
<tr>
<td>25 Total Expenses</td>
<td>1,328,955</td>
<td>1,250,214</td>
<td>1,295,916</td>
<td>45,702</td>
<td>3.7%</td>
<td>-33,039</td>
<td>-33,039</td>
<td>-2.5%</td>
</tr>
</tbody>
</table>
Agency Risk Management and Internal Control Standards (ARMICS)

- ARMICS is a directive of the State Comptroller that mandates the implementation and annual assessment of agency internal controls to provide a reasonable assurance of the integrity of all fiscal processes.

- Annual certification is done in September by the Senior Vice President/CFO and the President.
  - Agency Level Internal Control Assessment
  - Process and Transaction Level Internal Control Assessment
  - Corrective Action Plan, if needed
ARMICS – Agency Level Assessment

VCU conducts the Agency Level Assessment through the Enterprise Risk Management (ERM) process.

The ERM Steering Committee met to evaluate the risk ranking and controls of the following identified risks in June and August of 2019:

- Global Programs and International Issues
- Data Analytics and IT Functionality
- Enrollment Management
- Accreditation
- Civil Rights Compliance
- Clinical Research Administration

The ERM Steering Committee has not met during calendar year 2020. Those resources have been temporarily redeployed to address COVID-19.
ARMICS – Process and Transaction Level Assessment

• All departments and central units are required to sign a certification statement:
  – Risk assessments are accurate and current
  – Internal controls are operating effectively
  – Testing of controls has been documented

• Departmental assessments are forwarded to the appropriate VP so they can sign the certification for their entire operation
  – VPs certify to the Senior Vice President/CFO and the President that their operations have met the process and transaction level requirements

• Controller’s Office consults with departments and central units to assist with risk assessment and controls as well as perform some additional testing of internal controls
Integrity of Fiscal Processes

- Integrity and accountability are core values of the university and the Controller’s Office will continue its initiative to ensure that these values are understood and adhered to throughout the university community.

- Extensive refresher training courses on ARMICS requirements were conducted in Fall 2019 and Spring 2020. Courses continue to be offered semi-annually for new employees.

- The mandatory fiscal training program, implemented in fiscal year 2012, continues to be a requirement for current users to retain (or, for future users, to obtain) access to the Banner Finance system.
  - Training begins with a Fiscal Responsibilities and Internal Controls course and is followed by individual modules and testing depending on the level of Banner access the user needs – from full transaction access (budget entries, journal vouchers, cash receipt and encumbrance removals) to more limited access.
Summary

• VCU will have met ARMICS requirements for FY 2020 through the following:
  – Completion of the certifications by the departments to the Vice Presidents by June 30, 2020
  – Focused testing of internal controls by the Controller's office
  – Identification of agency level risks and current mitigation strategies
  – Final certification to the Department of Accounts on September 30, 2020

• ARMICS is an on-going process that is now supplemented with the ERM program
The Board of Visitors established a donor-advised, restricted fund known as the Board of Visitors (BOV) Fund at the May 2012 meeting. Direct contributions from members of the BOV or friends provide the monies for the fund. The monies in this fund shall only be used for scholarships, faculty and staff recognitions, and other projects, undertaking or expense which the BOV deems to be in the best interests of VCU.

<table>
<thead>
<tr>
<th>BOV Fund</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended June 30, 2020</td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$35,350</td>
</tr>
<tr>
<td>Expenses - Scholarships</td>
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</tr>
<tr>
<td>Ending Balance</td>
<td>$25,350</td>
</tr>
<tr>
<td>Project</td>
<td>Amount</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Completed Projects:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,500,000</td>
</tr>
<tr>
<td></td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Construction Underway:</td>
<td></td>
</tr>
<tr>
<td>D Parking Deck Restoration (Corrosion)</td>
<td>$8,000,000</td>
</tr>
<tr>
<td></td>
<td>$200,000</td>
</tr>
<tr>
<td></td>
<td>$8,200,000</td>
</tr>
<tr>
<td>Engineering Research Expansion</td>
<td>$41,341,000</td>
</tr>
<tr>
<td></td>
<td>$49,000,000</td>
</tr>
<tr>
<td></td>
<td>$10,300,000</td>
</tr>
<tr>
<td></td>
<td>$100,641,000</td>
</tr>
<tr>
<td>Trans Life Sciences Roof &amp; HVAC Replacement</td>
<td>$7,114,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Rice Center Research Facility</td>
<td>$5,500,000</td>
</tr>
<tr>
<td></td>
<td>$1,100,000</td>
</tr>
<tr>
<td></td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td>$7,600,000</td>
</tr>
<tr>
<td>STEM Teaching Laboratory Building</td>
<td>$113,505,000</td>
</tr>
<tr>
<td></td>
<td>$10,967,000</td>
</tr>
<tr>
<td></td>
<td>$124,472,000</td>
</tr>
<tr>
<td>Sanger 9 Surgery Innovation Suite</td>
<td>$6,187,800</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning Underway:</td>
<td></td>
</tr>
<tr>
<td>West Hospital Dept of Transplant Surgery Renovation</td>
<td>$2,275,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>On Schedule</td>
<td>Delay</td>
</tr>
</tbody>
</table>
Committee on Commemorations and Memorials: BOV Update
Committee Infrastructure

• President’s Committee on Confederate Commemoration
  — Established: August 2017
  — Composition: 20+ member committee; Dr. John Kneebone and Hannah Cameron, Co-Chairs
  — Charge: To conduct an inventory and analyze symbols of the Confederacy, slavery, white supremacy, and other items of an exclusionary nature on campuses, with the purpose of considering how to make decisions about commemoration moving forward.

• VCU Committee on Commemorations and Memorials
  — Established: May 2019
  — Composition: Membership according to BOV policy; Dr. Aashir Nasim, Chair
  — Charge: To make recommendations to the approve memorials, commemorations and decommemorations to the President, who in turn shall make a recommendation to the Board of Visitors.
Committee Membership

John Kneebone, Ph.D. - Co-chair
Associate professor (retired)
Chair, Department of History
Virginia Commonwealth University

Hannah M. Cameron - Co-chair
President, Urban and Regional Planning Student Association

Kevin Allison, Ph.D.
Senior executive for special projects, Office of the President (former)
Professor, Psychology
Virginia Commonwealth University

Claire Barnewolt
Student

Melanie Buffington, Ph.D.
Associate professor
School of the Arts
Virginia Commonwealth University

Brian Daugherty, Ph.D.
Associate professor
Department of History
Virginia Commonwealth University

Deborah Davis
Chief of Strategic Initiatives
VCU Health

Karah Gunther, J.D., M.H.A.
Executive Director of Government Relations and Health Policy
Virginia Commonwealth University

Jodi Koste
Archivist and Head, TML Special Collections and Archives
VCU Libraries

Pam Lepley
Vice President for University Relations
Virginia Commonwealth University

Larry Little, M.B.A
Vice President, Support Services
VCU Health

Brian Shaw
Assistant to the president (former)
Virginia Commonwealth University

Jacob Belue, J.D. (Advisor Only)
Associate university counsel
Virginia Commonwealth University

Michael Porter
Associate vice president, Public Affairs
Virginia Commonwealth University

Jewel Peterson-Murray
Student

Shontrice Barnes
Student

Gabriel Syska
Student

Nicole Turner, Ph.D.
Former VCU faculty member
Department of History

Eldon Burton
Former VCU staff member

Ana Edwards
Community Partner

Brandi Summers, Ph.D.
Former VCU faculty member
Department of African American Studies

Kathryn Shively, Ph.D.
Associate Professor
Department of History
Virginia Commonwealth University
Committee Membership

**Aashir Nasim, Ph.D.** - Chair
Vice President, Institutional Equity, Effectiveness and Success
Professor and director, Institute for Inclusion, Inquiry & Innovation
Virginia Commonwealth University

**Thomas Briggs**
Assistant Vice President, Safety and Risk Management
Virginia Commonwealth University

**Melanie Buffington, Ph.D.***
Associate professor
School of the Arts
Virginia Commonwealth University

**Matt Conrad, J.D.**
Executive Director, Government and Board Relations
Virginia Commonwealth University

**Jay Davenport, CFRE**
Vice President, Development and Alumni Relations
Virginia Commonwealth University

**Chelsea Gray**
Board Liaison and assistant secretary
Office of the President
Virginia Commonwealth University

**Breanna Louise Harmon**
Student

**Nancy Jallo, Ph.D., RNC, FNP-BC, WHNP-BC, CNS, FAAN**
Associate professor
School of Nursing

**Lydia Johnson, MD**
Department of Dermatology
VCU Health

**Jodi Koste**
Archivist and Head, TML Special Collections and Archives
VCU Libraries

**Pam Lepley**
Vice President for University Relations
Virginia Commonwealth University

**Saher Randhawa**
Program Manager
Department of Internal Medicine
VCU Health

**Kathryn Shively, Ph.D.***
Associate Professor
Department of History
Virginia Commonwealth University

**Meredith Weiss, Ph.D.**
Vice President for Administration
Virginia Commonwealth University

*Denotes service on both committees
Committee Process

• President’s Committee on Confederate Commemoration
  — Committee meetings (12+) between Fall 2017 and Summer 2018
  — Research inventory created by University Archivist
  — Small-group engagement forums with community and university stakeholders
  — Generated report and recommendations

• VCU Committee on Commemorations and Memorials
  — Committee meetings (5, in-person and virtual) between Fall 2019 and Summer 2020
  • Chair consultations with University Archivist and resident historians; chair and committee recorder engagement in university forums and town halls
  — Review of Committee on Confederate Commemoration inventory and additional proposals
  — Comprehensive examination of popular press and scholarship on Civil War, Confederacy, Jim Crow, etc.
  • Generation of committee chair’s scholarly notes (justification) related to decommemoration
  — Public comment period (first and second rounds, 30 days)
  — Generation of recommended actions, statement on decommemoration, and executive summary for the President
Committee Recommendations

• President’s Committee on Confederate Commemoration
  — BOV policy governing commemorations and memorials on VCU campuses (Summer 2018)
  — Decommemorate Confederate symbols (e.g., places and plaques) on VCU campuses (Fall 2018)
  — Contextualize Confederate symbols needing City of Richmond approvals (Fall 2018)

• VCU Committee on Commemorations and Memorials
  — Recommended actions to commemorate Murry DePillars; the Department of African American Studies (Summer 2020)
  — Advance recommendations by the President’s Committee on Confederate Commemoration (Fall 2018) to decommemorate Confederate symbolism on VCU campuses (Summer 2020)
  — Form workgroups to engage in commemorative and/or decommemorative activities associated with each recommended action. (Summer 2020)
Committee Criteria

• **VCU Committee on Commemorations and Memorials**
  - **Commemoration**: (a) recognition of significant persons, places or events related to the history of the institution
  - **Decommemoration**: (b) existing commemoration / memorial serves to legitimize an historical era, event, person or place that is inconsistent with what has been discovered or learned; and (c) public acknowledgement and display of commemorations disrupts the educational, healing and workplace experiences of our diverse population of students, patients and employees.

• **Commemoration and Decommemoration (BOV)**
  - **Commemoration**: (a) recognition of significant persons, places or events related to the history of the institution
  - **Decommemoration**: (b) honoree engaged in conduct inconsistent with the mission and/or values of VCU; (c) information discovered that negates the accomplishments cited as the bases for creating the memorial; and (d) honoree / memorial injures the reputation of the university of the Commonwealth of Virginia.
Committee Commemoration

RECOMMENDED ACTION: The committee recommends the commemoration and adding the name Murry DePillars to a soon-to-be-identified School of the Arts building.

Committee Commemoration

RECOMMENDED ACTION: The committee recommends the removal of the name "Harrison" from Harrison House. This action clears the way for VCU's Department of African American Studies to engage in efforts to commemorate and name the building.

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends the decommemoration and removal of the plaque outside the Baruch Auditorium on the MCV campus.

Committee Decommemoration

**RECOMMENDED ACTION:** The committee recommends the decommemoration and removal of the name and all associated mentions and references to the Dooley Hospital.

**RELEVANT SOURCES:**
Committee Decommemoration

RECOMMENDED ACTION: The committee recommends petitioning the city of Richmond to decommemorate and remove the Fitzhugh Lee monument in Monroe Park (already in progress by the city).

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends the decommemoration and removal of the name and all associated mentions and references to the Ginter House.

RECOMMENDED ACTION: The committee recommends the decommemoration, permanent closure, and removal of four plaques that reference Jefferson Davis and Kathryn Wittichen in and around West Hospital on the MCV campus.

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends petitioning the city of Richmond to decommemorate and remove the Joseph Bryan statue in Monroe Park (already in progress by the city).

RECOMMENDED ACTION: The committee recommends the decommemoration and removal of the name and all associated mentions and references to McGuire Hall.

Committee Decommemoration

**RECOMMENDED ACTION:** The committee recommends the decommemoration and removal of the Alexander Stephens plaque and bust of Hunter McGuire from McGuire Hall.

RECOMMENDED ACTION: The committee recommends petitioning VCU Health to consider the decommemoration and removal of a plaque commemorating the work of Matthew Fontaine Maury from the MCV Alumni House; as well as the name and all associated mentions and references to the Maupin-Maury House, now known as the MCV Alumni House.

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends the decommemoration and removal of the name "Tompkins-McCaw" and all associated mentions and references from the Tompkins-McCaw Library.

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends the decommemoration and removal of the Tompkins-McCaw Library plaque and the portrait of John Syng Dorsey Cullen.

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends petitioning the city of Richmond to decommemorate and remove the W.C. Wickham monument in Monroe Park (already in progress by the city).

Committee Decommemoration

RECOMMENDED ACTION: The committee recommends decommemoration and removal of the name and all associated mentions and references to the Wood Memorial Building.

# Committee Justification

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<thead>
<tr>
<th>Source (Recommended Action)</th>
<th>Commemoration</th>
<th>Decommemoration</th>
<th>BOV Criteria</th>
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<td>(b) Legitimization of historical era, event, person or place</td>
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<td></td>
<td>(c) Disruption to educational, healing and workplace experiences</td>
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<td>(c) Information obtained negates accomplishments</td>
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<td>(d) Commemoration injures reputation of the university</td>
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<tr>
<td>Murry DePillars</td>
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<tr>
<td>Department of African American Studies</td>
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<td>Baruch Auditorium</td>
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<td>N/A</td>
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<tr>
<td>Fitzhugh Lee Monument</td>
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<tr>
<td>Howitzer Statue</td>
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<td>Judson B. Wood Memorial</td>
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Committee Statement on Decommemoration

The VCU memorial landscape is dominated by ex-Confederates or those people who sought to perpetuate and revere the memory of the Confederacy, currently represented in the form of dedicated spaces, memorial names, plaques and statues. The Confederacy was a nation whose states seceded from the United States in winter 1860 through spring 1861 expressly to preserve the institution of slavery, which proponents believed to be under attack by the free states and the larger community of western nations. Moreover, as Confederate vice president Alexander Stephens succinctly confirmed in his famous Cornerstone Address, March 21, 1861, the Confederate States of America existed expressly to protect white supremacy.

We at VCU, a community of administrators, clinicians, faculty scholars, staff and students affirm that the dominance of such symbolism on our campuses runs counter to our university mission and core values of diversity and inclusion, freedom, integrity and service. While we recognize that many of the people whose images and names we seek to remove were complex individuals that existed within their particular historical contexts, many of whom produced both useful and damaging legacies, their affiliations with the Confederacy and the perpetuation of white supremacy in the Reconstruction and Jim Crow eras cannot be extracted from the larger symbolic landscape of oppression.

With humility, we seek a path forward that will create a welcoming, inclusive environment of learning, research, and discovery for our whole community. We do not seek to erase history; and to this end, we will carefully document the removal of these objects and names for current and future study. We recognize that decommemoration is a process, and that we do not have all the answers. Still, this is a necessary first step toward reconciliation and healing. To read more about the historical individuals whose symbolic representations are being decommemorated and the successful ex-Confederate movement to dominate the American memorial landscape, please see our attached list of scholarly studies.
Committee Sources

Civil War Memory (scholarship)


