

COLLEGE OF WILLIAM AND MARY  
RESOLUTIONS

**COLLEGE OF WILLIAM AND MARY  
REVISION OF THE OFFICE OF INTERNAL AUDIT CHARTER**

The Office of Internal Audit Charter was last revised at the February 2011 meeting of the Board of Visitors. It is appropriate to review such documents periodically.

The revised Office of Internal Audit Charter (attached) has been reviewed by the Chair of the Audit and Compliance Committee, the President and Vice President for Finance of the College of William and Mary, the President of Richard Bland College, and the Director of Internal Audit. The revisions address changes in the Board of Visitors *Bylaws* and various auditing standards.

The Audit and Compliance Committee also oversees the work of the College of William and Mary's Compliance Office. The Board of Visitors *Bylaws* will be amended to reflect this during the next revision of the *Bylaws*.

Proposed additions to the existing text are shown in ***bold italics***; proposed deletions are ~~struck-through~~.

BE IT RESOLVED, That the Office of Internal Audit Charter is approved by the Board of Visitors as revised, effective immediately.

**THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
AND RICHARD BLAND COLLEGE**

**OFFICE OF INTERNAL AUDIT CHARTER**

**Article I, section 14 of the Board of Visitors Bylaws, revised November 30, 2012,** states: The Committee on Audit ***and Compliance*** shall oversee the Office of Internal Audit, which is charged with the responsibility of auditing the College of William and Mary and Richard Bland College ***and shall consider and make recommendations on policy matters pertaining to campus safety and security and risk management.*** The Director of Internal Audit shall be directly responsible to the Committee on Audit ***and Compliance*** in the formation of an annual Audit Plan. The President of the College and the President of Richard Bland College may advise and consult with the Committee on any matter pertaining to internal auditing. The Committee shall perform an annual evaluation of the Director of Internal Audit during the Board's annual meeting for recommendation to the full Board.

**Article II, section 10 of the Board of Visitors Bylaws, revised November 30, 2012,** states: The Board of Visitors shall, on recommendation of the President of the College and the President of Richard Bland College, appoint a Director of Internal Audit. The Director of Internal Audit shall report directly to the Committee on Audit ***and Compliance*** and shall be responsible to the Committee for the administration and operation in the Office of Internal Audit and for the formation of an annual Audit Plan. The budget for and authorization of positions in the Office of Internal Audit shall be reviewed and approved by the Committee on Audit ***and Compliance***. The Director of Internal Audit shall consult with the President of the College and the President of Richard Bland College in the administration and operation of the Office of Internal Audit. The Director of Internal Audit shall be evaluated annually by the Committee on Audit ***and Compliance*** during the Board's annual meeting for recommendation to the full Board.

**Mission**

The mission of the Office of Internal Audit is to support the respective missions of the College of William and Mary and Richard Bland College by providing auditing services to the Board of Visitors and the colleges. The mission statements follow:

**The College of William and Mary**, a public university in Williamsburg, Virginia, is the second-oldest institution of higher learning in the United States. Established in 1693 by British royal charter, William and Mary is proud of its role as the Alma Mater of generations of American patriots, leaders, and public servants. Now, in its fourth century, it continues this tradition of excellence by combining the best features of an undergraduate

college with the opportunities offered by a modern research university. Its moderate size, dedicated faculty, and distinctive history give William and Mary a unique character among public institutions, and create a learning environment that fosters close interaction among students and teachers.

The university's predominantly residential undergraduate program provides a broad liberal education in a stimulating academic environment enhanced by a talented and diverse student body. This nationally acclaimed undergraduate program is integrated with selected graduate and professional programs in five faculties — Arts and Sciences, Business, Education, Law, and Marine Science. Masters and doctoral programs in the humanities, the sciences, the social sciences, business, education, and law provide a wide variety of intellectual opportunities for students at both graduate and undergraduate levels.

At William and Mary, teaching, research, and public service are linked through programs designed to preserve, transmit, and expand knowledge. Effective teaching imparts knowledge and encourages the intellectual development of both student and teacher. Quality research supports the educational program by introducing students to the challenge and excitement of original discovery, and is a source of the knowledge and understanding needed for a better society. The university recognizes its special responsibility to the citizens of Virginia through public and community service to the Commonwealth as well as to national and international communities. Teaching, research, and public service are all integral parts of the mission of William and Mary.

**Richard Bland College**, of The College of William and Mary in Virginia was founded in 1960. It is The Junior College of the Commonwealth of Virginia. The College offers a traditional curriculum in the liberal arts and sciences leading to the associate degree, and other programs appropriate to a junior college. The curriculum is intended to allow students to acquire junior status upon transferring to a four-year college, or to pursue expanded career opportunities. The College also recognizes its responsibility to serve the public by providing educational and cultural opportunities for the community at large.

#### Overview Background

Audit and advisory reports are addressed to the Chair of the Committee on Audit **and Compliance** with copies to members of the Committee, the appropriate college president, and others directly impacted by audit findings. All reports are reviewed and signed by the Director. The Director also provides summarized reports to the Committee on Audit **and Compliance**. Whenever the Director learns of any manner of fraud, waste, or abuse of

Commonwealth or private resources, and any other matter deemed significant by the Director, he must promptly report such information to the **Chair of the Committee on Audit and Compliance**, presidents, and when appropriate, the **Inspector General**, Auditor of Public Accounts (APA), William and Mary Police, **or** and the State Police. The Director regularly consults with the presidents, provosts, deans, and vice presidents of the colleges. The Office shall have unrestricted access to all activities, properties, personnel, and records of the colleges to the fullest extent of the law. The Office retains and releases records in compliance with the Commonwealth's laws. Should the Director leave employment for any reason, the Committee on Audit **and Compliance** of the Board of Visitors will interview the departing Director.

### **Professional Auditing Standards and Statements**

Internal auditing is an advisory function. **The Office** ~~We~~ objectively analyzes, reviews, and evaluates existing procedures and activities; reports on conditions found; and recommends actions for consideration. This includes an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the colleges. **The Office's** ~~Our~~ work is completed with care, prudence, and professionalism. **The Office will** ~~We~~ report weak or missing controls, inefficiencies, fraud, illegal activities, or impediments to **the Office's** ~~our~~ work in accordance with the following:

- American Institute of Certified Public Accountants (AICPA) **pronouncements**
- Commonwealth of Virginia (CoV) **laws and regulations**
- Financial Accounting Standards Board (FASB) statements
- Generally Accepted Auditing Standards (GAAS) including Statements of Auditing Standards (SAS) and the Government Accountability Office's (GAO) Governmental Auditing Standards (Yellow Book)
- Governmental Accounting Standards Board (GASB) statements
- Institute of Internal Auditors (**IIA**) **pronouncements**

### **Audit and Advisory Services**

Consulting: Provide consulting and advisory services as requested by the Board of Visitors, presidents, provosts, deans, and vice presidents of the colleges. Such services should improve the colleges' governance, risk management, and control processes - without the Office of Internal Audit assuming management responsibility.

Compliance: **In cooperation with the Office of Compliance**, ~~d~~Determine compliance with policies, procedures, laws and regulations established by the colleges, the Commonwealth, the Federal Government and **applicable** ~~certain~~ external bodies, such as the National Collegiate Athletic Association (NCAA).

Financial: Audit internal control systems and financial transactions of the colleges, including capital projects.

Operational: ~~Provide an~~ **Evaluate** ~~evaluation of~~ operational efficiency and effectiveness in accordance with the goals and policies established by the colleges, Commonwealth, **and** ~~of~~ the Federal Government.

Technology: Evaluate the design, development, implementation, and internal controls of information technology systems.

### Responsibilities of the Director

- The Director represents the Office, the colleges, the Commonwealth, and the auditing profession at all times. Consequently, the Director must always be mindful of his/her actions.
- The Director must maintain a high level of professionalism within the Office. Accordingly, the Director is responsible for providing continuing professional education required by professional standards.
- The Director should prepare a report of Office activities for the Committee on Audit *and Compliance* on a regular basis. This report may be sent to presidents, provosts, vice presidents, and, at the discretion of the Director, others directly impacted by audit findings. The report should be concise with supporting detail available upon request.
- The Director prepares a comprehensive annual work plan based upon judgment and a risk assessment model. This should be discussed with the presidents, provosts, vice presidents, and anyone else the Director deems necessary before the plans are presented to the Committee on Audit **and Compliance** for approval.
- The Director is responsible for the work of all auditors in the Office.
- The Director is responsible for the efficient and effective use of Internal Audit resources.
- The Director is the primary liaison to all external audit entities including the Federal Government and the Commonwealth.
- The Director is responsible for periodic external reviews of the Office, ~~if funds are available~~. These reviews should be performed in accordance with professional auditing standards. A written report should be provided to the Committee on Audit **and Compliance** and the presidents.

**COLLEGE OF WILLIAM AND MARY  
COMPLIANCE PROGRAM CHARTER**

WHEREAS, The Committee on Audit and Compliance oversees the Compliance Program of the College of William and Mary; and

WHEREAS, The proposed Compliance Program Charter (attached) has been reviewed by the Chair of the Audit and Compliance Committee, the President, the Provost, and other College officials;

NOW, THEREFORE, BE IT RESOLVED, That the Compliance Program Charter is approved by the Board of Visitors, effective immediately.

**THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA****COMPLIANCE PROGRAM CHARTER**

William and Mary, as a public institution of higher education, is regulated by both the federal government and the Commonwealth of Virginia. The responsibility for compliance with these legal obligations is shared by all members of the university community:

- Employees must obey the laws, regulations, and policies applicable to their university activities, and report illegal or unethical action that comes to their attention.<sup>1</sup>
- Supervisors must ensure that employees have the knowledge and skills to fulfill their obligations, and address or elevate reported violations or similar issues.
- Members of senior management must promote a culture of compliance and ethical behavior, and ensure that the university has policies and standards reasonably designed to prevent compliance violations in their areas of operation.

As federal and state laws increase and become more complex, the university has charged the Compliance and Policy Office with the coordination, monitoring and, when appropriate, improvement, of the array of compliance functions. This Office works closely with other offices providing general compliance services, particularly Internal Audit, University Counsel, and Human Resources. To assist employees, the university also has offices and officers with expertise and responsibilities in various compliance areas, such as the Office of Sponsored Programs for compliance obligations arising in the conduct of research, the Environmental Health & Safety Department for workplace safety compliance, and the Assistant Athletics Director for Compliance and Educational Services, for NCAA compliance.

Collectively, these institutional expectations, responsibilities, and services comprise the university's compliance and ethics program. As defined by federal regulations, the program is "reasonably designed, implemented, and enforced" to prevent and detect illegal conduct through "due diligence and the promotion of an organizational culture that encourages ethical conduct and a commitment to compliance with the law."

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<sup>1</sup> Code of Ethics of the College of William and Mary.



The Chief Compliance Officer has overall responsibility for the compliance program.<sup>2</sup> The Compliance Officer, working with senior management and other employees and in close cooperation with Internal Audit, University Counsel, and Human Resources, strives to:

1. ensure that the university has policies and procedures reasonably designed to satisfy existing or new legal obligations.
2. ensure that the university has procedures aimed at detecting and remedying compliance problems and risks, including methods for employees to “report or seek guidance regarding potential or actual” illegal conduct without fear of retaliation.
3. conduct or assist with certain internal compliance investigations and otherwise help management address compliance violations reported or detected.<sup>3</sup>
4. ensure the university has practices and systems to communicate key policies and other relevant aspects of the compliance and ethics program to affected employees. The Compliance and Policy Office also directly communicates new and proposed policies to the campus community.
5. assist senior management and others promote and enforce the compliance program.
6. assist in identifying and addressing significant compliance risks, for example by conducting compliance gap analyses and risk assessments (including under the auspices of the university’s Risk Management Committee) and providing compliance resources and guidance.

The Committee on Audit and Compliance of the Board of Visitors provides oversight of the compliance program. The Chief Compliance Officer reports regularly to the Committee regarding the status and effectiveness of the compliance program, and brings to the Committee’s attention significant compliance risks and matters.

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<sup>2</sup> Federal regulations require that a specific, “high-level” individual be given “overall responsibility” for the compliance and ethics program. The Chief Compliance Officer reports to the President and directs the Office of Compliance and Policy.

<sup>3</sup> Reported or suspected violations may be investigated by any number of individuals, committees, or offices, under university policies.

COLLEGE OF WILLIAM AND MARY  
APPOINTMENTS TO FILL VACANCIES IN THE  
PROFESSIONALS AND PROFESSIONAL FACULTY

Vacancies in the Professionals and Professional Faculty of the College of William and Mary have resulted because of resignations, terminations or the approval of additional authorized positions.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the appointments of the following individuals to fill these positions:

JANA HOLT ALLEN, Associate Director of Flex and EMBA Programs,  
Mason School of Business, effective January 28, 2013

B.A. (1977); M.A. (2002), Dallas Baptist University

Rollins College  
Director, Corporate and Saturday MBA, 2006-2010

Baylor University  
Director, Executive MBA Program, 2003-2006  
Assistant Director, Executive MBA Program, 2000-2003

Meeting Concepts  
President, 1998-2000

LU ANN HOMZA, Dean for Educational Policy, Faculty of Arts and  
Sciences, effective January 1, 2013

Ph.D. (1992); M.A. (1981), The University of Chicago  
B.A., Scripps College, 1980

College of William and Mary  
Professor, 2007-2013  
Director, Medieval and Renaissance Studies Program, 2008-2011  
Associate Professor, 1998-2007  
Assistant Professor, 1992-1998

COLLEGE OF WILLIAM AND MARY  
APPOINTMENTS TO FILL VACANCIES IN THE  
PROFESSIONALS AND PROFESSIONAL FACULTY

THERESE A. LOVEGREEN, Director of Academic Advising, Faculty of Arts and Sciences, effective January 25, 2013

M.A.Ed., Virginia Polytechnic Institute and State University, 2003  
B.S., University of Pittsburgh, 1980

Virginia Polytechnic Institute and State University  
Associate Director, University Academic Advising Center/University Studies, 2010-2012  
Interim Director, University Academic Advising Center/University Studies, 2009-2010  
Associate Director for Academic Advising and Assessment, 2006-2009  
Academic Advisor, University Academic Advising Center/University Studies, 2003-2006

MICHAEL NANCE UMBERGER, Reference Librarian, William & Mary Law School, effective January 2, 2013

M.L.I.S., University of Washington, Information School, 2012  
J.D., Mercer University, Walter F. George School of Law, 2011  
B.A., Mercer University, 2008

University of Washington, Gallagher Law Library  
Reference Librarian, 2012

COLLEGE OF WILLIAM AND MARY  
AWARD OF ACADEMIC TENURE

The following members of the Instructional Faculty at the College of William and Mary have been recommended for the award of academic tenure by the appropriate departmental committees and chairs, the appropriate deans, and by the Provost and President.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the following members of the Faculty be awarded academic tenure, effective with the beginning of the 2013-2014 academic year:

SETH A.M. AUBIN, Department of Physics

ANGELA M. BANKS, School of Law

M. VICTORIA COSTA, Department of Philosophy

CATHERINE A. FORESTELL, Department of Psychology

MATTHEW HAUG, Department of Philosophy

ROSS IACI, Department of Mathematics

MICHAEL S. KORDOSKY, Department of Physics

KATHRIN H. LEVITAN, Department of History

LEAH B. SHAW, Department of Applied Science

RICHARD TURITS, Department of History

PATRICIA VAHLE, Department of Physics

GEXIN YU, Department of Mathematics

GANG ZHOU, Department of Computer Science

COLLEGE OF WILLIAM AND MARY  
FACULTY PROMOTIONS

The following members of the Instructional Faculty of the College of William and Mary have been recommended for promotion in academic rank by the appropriate departmental committees and chairs, the appropriate deans, and by the Provost and President.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the academic promotions of the following members of the Faculty of the College, effective with the beginning of the 2013-2014 academic year:

Assistant Professor to Associate Professor

SETH A.M. AUBIN, Department of Physics

M. VICTORIA COSTA, Department of Philosophy

CATHERINE A. FORESTELL, Department of Psychology

MATTHEW HAUG, Department of Philosophy

ROSS IACI, Department of Mathematics

MICHAEL S. KORDOSKY, Department of Physics

KATHRIN H. LEVITAN, Department of History

LEAH B. SHAW, Department of Applied Science

PATRICIA VAHLE, Department of Physics

GEXIN YU, Department of Mathematics

GANG ZHOU, Department of Computer Science

Associate Professor to Professor

ANGELA M. BANKS, William & Mary Law School

Board of Visitors

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COLLEGE OF WILLIAM AND MARY  
DESIGNATED PROFESSORSHIPS

The following members of the Instructional Faculty of the College of William and Mary have been recommended for a designated professorship.

BE IT RESOLVED, That upon recommendation of the President, the Board of Visitors of the College of William and Mary approves the designated professorships of the following members of the Faculty of the College, effective with the 2012-2013 academic year:

CINDY HAHAMOVITCH, Class of 1938 Professor of History, for a five-year term.

SIMON P. JOYCE, Margaret Hamilton Professor of English, for a three-year term.

COLLEGE OF WILLIAM AND MARY  
RETIREMENT OF ROBERT J. DIAZ  
SCHOOL OF MARINE SCIENCE

Professor Robert J. Diaz joined the faculty of the College of William and Mary in 1978 as an Assistant Professor after attaining his M.S. and Ph.D. degrees from the University of Virginia in 1971 and 1977. Among his many accomplishments and honors Professor Diaz was awarded a Doctor Honoris Causa from Gothenburg University, Sweden in 1996 and received the Prestigious Virginia Outstanding Scientist Award in 2011.

Professor Diaz is known internationally for his research on the dynamics and distribution of human-caused ocean hypoxia or “dead zones.” His research has focused more specifically on the effects of low oxygen on ecosystem functioning, energy flow and benthic community structure in regions ranging from both local to global scales. Professor Diaz is a noted expert on Oligochaeta and has authored many important research papers and contributions to books on their ecology, life histories and population dynamics. Professor Diaz has also conducted important work on the effects of sediments and organism-sediment interactions on benthic communities; especially the effects of dredging activities and the subsequent deposition of sediments on benthic organisms. In his research activities throughout his career Professor Diaz has developed many novel and useful approaches and instruments for evaluating and studying benthic communities, including a real-time benthic “Worm Camera” that allows researchers and scientists to view and record sub-benthic communities *in situ*.

Professor Diaz has been an important contributor to graduate education in the School of Marine Science. He has been one of the principal quantitative ecologists in the School of Marine Science for many years and has taught numerous introductory and advanced courses on statistical analyses to generations of graduate students. He has always been a generous and informative advisor to students and faculty on experimental design and quantitative analysis. Professor Diaz has mentored many Ph.D. and M.S. students throughout his career at the School of Marine Science, and has served on graduate committees at Old Dominion University, the University of Delaware, University of Charleston, Gothenburg University in Sweden and the University of Vienna in Austria.

Professor Diaz has always been active in providing his scientific experience and expertise to solve real-world problems at local, national and international levels. At the international level his work has been through his activities with many agencies in the United Nations as well as directly with many countries including Mexico, Spain, China, Denmark and Sweden. At the national level he has worked with the Environmental Protection Agency, the Department of Interior and the Corps of Engineers, as well as many other agencies and organizations, and has been called upon for his help and expertise in regions including the Hudson River, the Gulf of Mexico and numerous other coastal environments throughout the United States. Locally, he has been an important advisor and contributor to the efforts to improve and restore the Chesapeake Bay and its many rivers and bays in Maryland and the Commonwealth of Virginia for many years.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Professor Robert J. Diaz; expresses its appreciation to him for the many contributions he has made to the College of William and Mary; and approves, with deep gratitude for his 34 years of devoted service to the University, a change in status from Professor of Marine Science to Professor of Marine Science, Emeritus.

BE IT FURTHER RESOLVED, That this resolution be spread upon the minutes of the Board and a copy of the same be delivered to Professor Diaz with best wishes for continuing and creative work in the years ahead.



COLLEGE OF WILLIAM AND MARY  
RETIREMENT OF CARL H. HOBBS, III  
SCHOOL OF MARINE SCIENCE

Carl H. Hobbs, III joined the faculty of the College of William and Mary in 1975 as an Instructor in the School of Marine Science. He received his B.S. in 1968 from Union College, his M.S. in 1972 from the University of Massachusetts, and his Ph.D. in 1997 from the University of Mississippi. He became an Assistant Professor in 1977 and was promoted to Associate Professor in 1998. In 2007 he was also appointed Director for Operations, Support Services and Special Projects at the Virginia Institute of Marine Science, home of William and Mary's School of Marine Science.

Professor Hobbs' research has focused on coastal geology, namely the study of the geomorphology, sedimentology, and stratigraphy of estuaries, beaches, barrier islands and the continental shelf. He is member of the Editorial Board of the Journal of Coastal Research and a leading expert on the geology of the York River, Chesapeake Bay, and the Eastern Shore of Virginia. He was a pioneer in the use of modern geophysical techniques in Virginia waters, including high resolution seismic reflection profiling and side scan sonar. He has applied his expertise to diverse, societally relevant issues, including the economic and environmental ramifications of offshore mineral and sand mining, coastal dredging, and shoreline erosion. He has also applied the techniques of geophysical exploration to marine archeology and to the history of Jamestown Island. Over the years he has worked closely with the U.S. Minerals Management Service and also with the Center for Archaeological Research at the College of William and Mary.

Professor Hobbs has been an important contributor to graduate education in the School of Marine Science, leading or co-leading the School's "Introduction to Geological Oceanography" course for more than 20 years. Other courses he has taught have included Quaternary Coastal Geology, Methods in Geological Oceanography, and Marine Acoustics. His generosity and broad knowledge of geological oceanography has made him a popular member of graduate student advisory committees. Professor Hobbs has also been a selfless contributor to University governance, having served as Chair of the School of Marine Science's Education Policy Committee, Vice Chair of the Department of Physical Sciences, and Chair of many other VIMS committees, including Radiation Safety, Accident Review, Bio-Hazards, VIMS Safety, Emergency Management, and Space.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Professor Carl H. Hobbs, III; expresses its appreciation to him for the many contributions he has made to the College of William and Mary; and approves, with deep gratitude for his four decades of devoted service to the University, a change in status from Associate Professor of Marine Science to Professor of Marine Science, Emeritus.

BE IT FURTHER RESOLVED, That this resolution be spread upon the minutes of the Board and a copy of the same be delivered to Professor Hobbs with best wishes for continuing and creative work in the years ahead.

COLLEGE OF WILLIAM AND MARY  
RETIREMENT OF HOWARD I. KATOR  
SCHOOL OF MARINE SCIENCE

Dr. Howard I. Kator joined the faculty of the College of William and Mary in 1983 as an Associate Professor in the School of Marine Science. He had joined the VIMS faculty in 1975 as a Senior Marine Scientist in the Department of Microbiology-Pathology. Professor Kator received his B.A. in Biology in 1965 from Harpur College (SUNY Binghamton), and his Ph.D. in Biological Oceanography from Florida State University in 1972. From 1972 to 1974 he was a Post-doctoral Research Associate at the University of Texas and served as a Microbiologist for a year at the Helgoland Institute in Germany. He served as the Head of the Department of Estuarine and Coastal Ecology from 1983-1986 and as Chair of the Department of Environmental and Aquatic Animal Health from 2004 until his retirement in December of 2012.

Dr. Kator's creative research has focused primarily on applied microbial ecology issues including valued studies evaluating microbial degradation of petroleum by marine bacteria and the microbiology of shellfish and shellfish-growing waters. He has made substantial contributions to understanding the microbial ecology of aquatic systems and the uptake and elimination of microorganisms by bivalve shellfish, particularly pathogens that can have profound impacts on public health. His research has informed the regulatory policies implemented for recreational waters, shellfish harvesting and aquaculture growing areas in Virginia and the region. Over the years, he has worked closely with the Virginia shellfish industry and wastewater treatment plant facilities, as well as numerous regulatory agencies. He served as Chair of the Interstate Shellfish Sanitation Conference Research Guidance and Microbiology Committee for a number of years and worked closely with the Virginia Departments of Health and Environmental Quality and the U.S. Environmental Protection Agency on several projects and management issues. His research funding has come from many different sources including NOAA, EPA and local and state agencies.

Professor Kator has contributed to the educational mission of the University in many ways. He has mentored numerous graduate, undergraduate and high school students and served on several graduate student committees during the past 37 years. He has taught a number of graduate level aquatic microbiology lecture and laboratory courses, most notably Aquatic Microbial Ecology, Environmental Microbiology, and Fundamentals of Environmental Science for Policy. Students were very fortunate to benefit from an instructor who had applied the principles taught in these courses to "real world" situations.

Another hallmark of Dr. Kator is the valuable mentoring he provided to staff, other faculty and regulatory personnel. He has generously shared his knowledge, experiences and wisdom with others over the years, so that his impact will be felt at VIMS and throughout the Chesapeake Bay region for many years to come.

BE IT RESOLVED, that the Board of Visitors acknowledges the retirement of Professor Howard I. Kator; expresses its appreciation to him for the many contributions he has made to the College of William and Mary; and approves, with deep gratitude for his 37 years of devoted service to VIMS and the University, a change in status from Associate Professor of Marine Science to Professor of Marine Science, Emeritus.

BE IT FURTHER RESOLVED, That this resolution be spread upon the minutes of the Board and a copy of the same be delivered to Professor Kator with best wishes for continuing and creative work in the years ahead.

COLLEGE OF WILLIAM AND MARY  
RETIREMENT OF JOHN D. MILLIMAN  
SCHOOL OF MARINE SCIENCE

Dr. John D. Milliman joined the faculty of the College of William and Mary in 1993 as Dean of Graduate Studies of the School of Marine Science (SMS) and Virginia Institute of Marine Science (VIMS). He was named Chancellor Professor of Marine Science in 2001 and College Faculty Marshall in 2003.

Professor Milliman received his B.S. in 1960 from the University of Rochester, his M.S. in 1963 from the University of Washington, and his Ph.D. in 1966 from the University of Miami. For more than 20 years he was on the Scientific Staff at the Woods Hole Oceanographic Institution; he has also been a Guest Professor at the University of Heidelberg, a Guest Professor at the University of Oslo, an Adjunct Professor at the University of Southampton, and an Honorary Professor at the Institute of Oceanology in Qingdao. In 1992 he was awarded the Francis P. Shepard Medal for excellence in marine geology, and in 2012 he received the Virginia Outstanding Scientist of the Year Award.

As Dean of Graduate Studies of SMS/VIMS (1993-1999), Professor Milliman worked tirelessly to advance the College's Graduate Program in Marine Science. During his time as Dean, student applications to the School of Marine Science peaked, the quality of applicants soared, and the diversity of the student body increased significantly. He restructured the SMS Graduate Program to provide a more modern balance of discipline-specific and interdisciplinary courses. Through his efforts, the SMS converted its Master of Arts degree to a Master of Science degree, which tacitly acknowledged the student research required for successful completion of the program. He also was successful in obtaining a National Science Foundation (NSF) traineeship at VIMS to support minority students and was instrumental in developing a NSF-funded Research Experiences for Undergraduates program, which is currently recognized as one of the most successful in the U.S.

Professor Milliman is a leading international expert in the study of the transport, deposition, and diagenesis of sediments and river discharge to the sea. His investigations have included the study of such diverse areas as the U.S. East Coast, South African and Brazilian continental margins, the East China, South China and Yellow seas, the small, mountainous rivers of Alaska, New Guinea and Taiwan, as well as carbonate environments on tropical banks and continental shelves from around the world. Through the years he has organized cooperative research programs with Brazil, Norway and Iceland, led the first China-U.S. cooperative oceanographic research program, and recently initiated the first cooperative research study of the Gulf of Tonkin between Vietnam and the USA. He is the author or co-author of more than 200 journal articles, and author or editor of nine books. The more than 800 annual citations of his scientific publications make him one of the most widely cited faculty members at the College of William and Mary.

Professor Milliman's enthusiasm for research has never distracted from his devotion to teaching and mentoring at William and Mary. Over the years he has taught numerous undergraduate and graduate courses, including Marine Geology, Tropical Carbonates, and

Paradigm Shifts in Geology. His most popular course, "Rivers: Processes and Management," is a condensed six-week short-course, followed by a one-week field trip in which a number of diverse river localities throughout California are visited, many of which are hosted by local experts, including one of his past graduate students who is now a professor in her own right. Professor Milliman's devotion to his students is typified by the fact that he has consistently received the highest teaching evaluations of any faculty member in his department.

BE IT RESOLVED, That the Board of Visitors acknowledges the retirement of Professor John D. Milliman; expresses its appreciation to him for the many contributions he has made to the College of William and Mary; and approves, with deep gratitude for his twenty years of devoted service to the University, a change in status from Professor of Marine Science to Professor of Marine Science, Emeritus.

BE IT FURTHER RESOLVED, That this resolution be spread upon the minutes of the Board and a copy of the same be delivered to Professor Milliman with best wishes for continuing and creative work in the years ahead.

**COLLEGE OF WILLIAM AND MARY  
CASH MANAGEMENT INVESTMENT POLICY**

The Cash Management Investment Policy applies to the investment of operating funds belonging to the College of William and Mary and under the control of the College's appointed Board of Visitors. Under the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10 (§23-38.104) of Title 23 of the Code of Virginia, the College, as a covered institution "may invest its operating funds in any obligations or securities that are considered legal investments for public funds in accordance with Chapter 45 (§2.2-4500 et seq.) of Title 2.2. Such institution's governing body shall adopt written investment guidelines which provide that such investments shall be made solely in the interest of the covered institution and shall be undertaken with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

The College's operating funds and balances consist of tuition and fee revenue, expendable gift monies, endowment income, earned interest from investments, grants and sponsored research, rental income from owned properties, income received from external trusts, interest and dividends received on gifted securities, cash balances that reside in College auxiliary accounts and agency accounts, and generally any revenue received by the College of William and Mary that is deemed not to be state money and therefore subject to other mandatory depository restrictions of the State of Virginia. These institutionally ("locally") controlled operating funds are the basis of working capital from which the annual private fund and auxiliary budgets are constructed and they remain invested in short and intermediate term investments until such time as expenditures are drawn. Based on cyclical patterns of when revenue is received and funds subsequently disbursed, the invested balance of operating funds fluctuates monthly within a range between approximately \$50 million and \$100 million.

The Board of Visitors last reviewed its policy on cash management at its meeting on April 15-16, 2010. It is the practice of the College to review at least every three years its operational policies and guidelines to ensure that the authorizations contained therein are in keeping with the current thinking of the Board of Visitors.

All short term and intermediate term investments as disclosed in this policy are currently managed by SunTrust Bank, the depository institution used by the College. If the College were to use different service providers for cash management, these same investment guidelines would apply.

RESOLVED, That the Board of Visitors of The College of William and Mary in Virginia approves the amended guidelines on the following pages as the Cash Management Investment Policy for institutional funds belonging to the College of William and Mary, superseding any existing policy under the same name. Proposed additions are shown in shaded text; proposed deletions are ~~struck through~~.

**THE BOARD OF VISITORS  
THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA**

**CASH MANAGEMENT INVESTMENT POLICY**

Purpose and Scope

The purpose of this Cash Management Investment Policy is to articulate the investment and operational guidelines and authorizations for the non-general operating cash balances and reserves, referred to as local or private funds, under the control and oversight of the Board of Visitors. This policy is crafted to adopt best practices in the prudent management of short-term investments, complying with laws and regulations applicable to qualified public entities in Virginia. Accordingly, this policy does not cover the College's investment of long-term or endowment assets, general funds managed on behalf of the Commonwealth, proceeds from tax-exempt bond issues, or guidelines in the procurement of banking services. Except for cash in certain legally restricted and special accounts, the College shall consolidate cash and reserve balances to optimize College-wide liquidity management, maximize its investment earnings potential, and to increase efficiencies in the cost of investment management.

Statement of Objectives

- To ensure the safety of funds held in the short-term investment portfolio.
- To maximize investment return within the constraints of safety of principal and of maintaining sufficient adequate liquidity to meet all operating needs and obligations that may be reasonably anticipated.

Governing Authority: Laws and Regulations

This Cash Management Investment Policy shall be governed by existing law and regulations that apply to the investment of public funds, specifically the *Virginia Security for Public Deposits Act*, Chapter 44 (§2.2-4400 et seq.) of Title 2.2 of the Code of Virginia, as amended; the *Investment of Public Funds Act*, Chapter 45 (§2.2-4500 et seq.) of Title 2.2 of the Code of Virginia, as amended; the *Uniform Prudent Management of Institutional Funds Act*, Chapter 11, (§64.2-1100 et seq.) of Title 64.2 of the Code of Virginia, as amended; and §23-44.1 of the Code of Virginia, as amended, concerning the College's investment of endowment income, gifts, standards of care, liability, and exemption from the Virginia Public Procurement Act. Further authority as it relates to the investment of operating fund reserves and balances of or held by the College is delegated to the Board of Visitors in a certain Management Agreement dated March 30, 2009, by and between the Commonwealth of Virginia and the Rector and Board of Visitors of the College of William and Mary, pursuant to the Restructured Higher Education Financial and Administrative Operations Act of 2005.

### Standards of Care

The College will have the option to manage its non-general short term operating cash reserves internally, only when necessary and feasible, and/or preferably through the exercised care of professional investment managers.

The College shall rely on the “prudent person” standard in the exercised care of its investments. Accordingly, as stated in the *Investment of Public Funds Act*, Chapter 45 (§2.2-4514 et seq.) of Title 2.2 of the Code of Virginia, investments shall be made “with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.” College employees and officials who exercise proper due diligence in following this investment policy according to the “prudent person” standard shall be relieved of personal responsibility for an individual security’s credit risk or market price changes. When investments are made in conformity with *Investment of Public Funds Act*, Chapter 45 of the Code of Virginia, §2.2-4516 states that “no treasurer or public depositor shall be liable for any loss therefrom in the absence of negligence, malfeasance, misfeasance, or nonfeasance on his part or on the part of his assistants or employees.” Furthermore, when deposits are made in conformity with the *Virginia Security for Public Deposits Act*, Chapter 44 of the Code of Virginia, §2.2-4410 states that “no official of a public depositor shall be personally liable for any loss resulting from the default or insolvency of any qualified public depository in the absence of negligence, malfeasance, misfeasance, or nonfeasance on his part or on the part of his agents.”

Members of William and Mary community are required to adhere to a Code of Ethics Policy which was passed by the Board of Visitors on April 17, 2009. College personnel involved with the investment of funds shall be governed by these ethical guidelines and furthermore shall take meaningful effort to refrain from actions or activities that would have the appearance of violating the nature and intent of the College’s standards of ethical behavior.

Upon retention, external managers will be given a copy of this Cash Management Investment Policy and shall be required to maintain compliance with all directives stated herein. External managers shall be required to have a Code of Ethics or similar governing rules of ethical behavior that shall be disclosed to the College prior to their formal engagement. Failure to maintain compliance with these governances may result in dismissal and other potential measures of recourse.

### Approved Investments

- U.S. Treasury Bills
- U.S. Treasury Notes and Bonds
- U.S. Federal Agency Obligations (including mortgage backed securities)
- Money market mutual funds (no-load open-ended investment funds) which invest in U.S. Treasury Bills, Notes, Bonds, Federal Agency Obligations, and high



quality Corporate Obligations, provided such funds are registered under the Federal Investment Company Act of 1940 and rated at least "AAm" or the equivalent by a Nationally Recognized Statistical Rating Organization ("NRSRO") and properly registered for sale in Virginia under the Securities Act (§13.1-501 et seq.) of the Code of Virginia. Money market funds must comply with the diversification, quality, and maturity requirements of Rule 2a-7, or any successor rule, under the Federal Investment Company Act of 1940, provided the investments of such funds are restricted to investments otherwise permitted by the Code of Virginia.

- Bond mutual funds, commingled investment funds, and bank common trust funds (all classified as no-load open or closed-ended investment funds) which invest in high grade quality government (USD-denominated securities) and high quality corporate obligations with intermediate individual effective maturities no longer than 5 years and an average portfolio duration no longer than 2 years. High quality corporate obligations shall carry a rating of at least "A" by two rating agencies, one of which shall be either Moody's Investors Service, Inc., or Standard & Poor's, Inc. Funds must be registered under the Federal Investment Company Act of 1940 and be properly registered for sale in Virginia under the Securities Act (§13.1-501 et seq.) of the Code of Virginia. Investments in these funds are restricted to investments otherwise permitted by the Code of Virginia for qualified public entities.
- ~~— Bankers' Acceptances and Certificates of Deposit of banks rated A-1 by Standard & Poor's or P-1 by Moody's Investor Service~~
- Bankers' Acceptances that are issued by domestic banks or domestic offices of foreign banks (in USD), which are eligible for purchase by the Federal Reserve System with a maturity of 180 days or less. The issuing corporation, or its guarantor, must have a short-term debt rating of no less than "A-1" (or its equivalent) by at least two NRSROs. The amount invested in any single bank will not exceed 5% of the total funds available for investment (based on book value on the date of acquisition).
- ~~"Prime quality" Commercial Paper rated A-1 by Standard & Poor's or P-1 by Moody's Investors Service~~ with a maturity of 270 days or less and a short-term debt rating of no less than "A-1" (or its equivalent) by at least two of the NRSROs at time of purchase. Issuing corporations must be organized and operating under the laws of the United States or any state thereof and have a minimum net worth of \$50 million. The net income of the issuing corporation, or its guarantor, must have averaged at least \$3 million per year for the previous five years. All existing senior bonded indebtedness of the issuer, or its guarantor, must be rated "A" or better by at least two NRSROs.
- High quality corporate notes and obligations rated at least "Aa" by Moody's Investors Service, Inc., and ~~a rating of~~ rated at least "AA" ~~or better~~ by ~~Moody's Investors Service and~~ Standard & Poor's, Inc., and a maturity of no more than five years (as allowed by the Code of Virginia).

- High quality asset-backed securities with a duration of no more than five years (as allowed by the Code of Virginia) and a rating of no less than “AAA” by two NRSROs, one of which must be either Standard & Poor’s, Inc. or Moody’s Investors Service, Inc.
- Certificates of Deposit and Bank Deposit Notes of domestic banks and domestic offices of foreign banks, lawfully authorized to do business in Virginia, with a rating of at least “A-1” by Standard & Poor’s, Inc. and “P-1” by Moody’s Investors Service, Inc., for maturities of one year or less, and a rating of at least “AA” by Standard & Poor’s, Inc. and “Aa” by Moody’s Investors Service, Inc., for maturities over one year and not exceeding five years. Certificates of Deposit and Bank Deposit Notes with any institution other than the College’s primary depository shall not exceed levels of provided insurance by the Federal Deposit Insurance Corporation.
- Time Deposits in any federally insured bank or savings institution that is qualified by the Virginia Treasury Board to accept public deposits. Deposits in any such institutions shall be at levels whereby the College’s money shall remain fully insured by the Federal Deposit Insurance Corporation (or collateralized in full with U.S. Government or agency securities by the College’s primary depository as assets belonging to a public entity covered under the *Virginia Security for Public Deposits Act*, Chapter 44 (§2.2-4400 et seq.) of Title 2.2 of the Code of Virginia).
- Investment in overnight repurchase agreements. Certain conditions for investment shall apply:
  - When investments are made in overnight repurchase agreements, the College will require that its investments be 102% collateralized by U.S. Treasury and Agency obligations, and that this collateral be delivered to the College’s custodian bank and identified according to Uniform Commercial Code book entry procedures on the custodian’s books as property belonging to the College of William and Mary;
  - A master repurchase agreement or specific written repurchase agreement shall govern the transaction;
  - The securities are free and clear of any lien;
  - Qualified counterparties must be either member banks of the Federal Reserve System having total assets of more than \$10 \$4 billion and that are among the 50 400 largest commercial banks in the U.S.; or, non-bank dealers who are designated by the Federal Reserve Bank of New York as primary dealers in government securities;
  - The counterparty must have a long-term credit rating of at least “AA” or the equivalent from an NRSRO, been in business for at least 5 years, and be reputedly known among market participants.

- State and Municipal Obligations consisting of bonds, notes, and other general obligations of any state or municipal authority organized within the United States upon which there has been no default and having a rating of at least “AA” by Standard & Poor’s, Inc., and “Aa” by Moody’s Investors Service, Inc., and maturing within two years of the date of purchase.
- Local Government Investment Pool (LGIP). This highly diversified money market fund, administered by the Treasury Board of the Commonwealth of Virginia, referenced in Chapter 46 (§2.2-4600 et seq.) of Title 2.2 of the Code of Virginia (*Local Government Investment Pool Act*), offers public entities in Virginia a convenient and cost effective means to invest short-term monies adhering to all investment guidelines required by the Code of Virginia. The LGIP is rated “AAAm” by Standard & Poor’s, Inc.

#### Diversification of Approved Investments

The maximum allowable percentage of the College’s short-term portfolio permitted in each single asset category is as follows along with the maximum limits allowed in the Code of Virginia:

	<u>CWM</u>	<u>Code VA</u>
- U.S. Government securities and its agencies	100%	100%
- Overnight Repurchase Agreements with Required Collateral	100%	100%
- Money Market Mutual Funds	100%	100%
- Commingled Investment Funds or Bank Common Trust Funds	50%	100%
- Bond Mutual Funds	50%	100%
- Commercial Paper (A-1 P1)	35%	35%
- High quality Corporate Debt (Aa AA)	50%	100%
- <del>BAs and CDs</del> Bankers’ Acceptances	35%	50%
- Certificates of Deposit and Bank Deposit Notes	35%	100%
- Insured and/or collateralized bank deposits	50%	100%
- Asset-backed securities	35%	100%
- State and Municipal Obligations	20%	NA
- State run LGIP	100%	100%

Prohibited Investments

Without the expressed consent of the Board of Visitors, evidenced by signatory authorization from the ~~Treasurer~~ Vice President for Finance, the following investments are prohibited:

- Floating rate notes with maturities under two years that have any embedded leverage or option ability (e.g., caps, floors, multiple reset features, etc.), however, U.S. Agency adjustable rate mortgage backed securities (ARMs) are permitted investments.
- Floating rate notes with maturities over two years
- Structured notes
- Swaps
- Other derivatives
- High Yield and Distressed Debt
- Reverse repurchase agreements
- Borrowing funds for the purpose of reinvesting the proceeds of such borrowing
- Investing in any security not specifically permitted by this Policy

Where written consent is given for investment in any of these categories, the Board of Visitors will require the investment manager to adhere to specific safeguards.

Investment Limits

No more than 5% of the portfolio shall be invested in specifically held securities of any single issuer, ~~with the exception of the United States Government and its Agencies which will have no limit.~~ A single issuer shall incorporate all debt issued by parent, subsidiary, and affiliated companies, thereby limiting investment exposure to any one holding company or entity.

The following exceptions to this 5% single issuer limit shall apply:

- |  |              |
|--|--------------|
| - U.S. Treasury obligations                                    | 100% maximum |
| - Money market funds of only U.S. Gov't and Agency obligations | 100% maximum |
| - Bond mutual funds of only U.S. Gov't and Agency obligations  | 100% maximum |
| - State run LGIP   | 100% maximum |
| - Each Federal Agency (held as discrete investments)           | 50% maximum  |
| - Diversified money market and mutual funds                    | 35% maximum  |
| - Other types of mutual and commingled funds                   | 35% maximum  |

There will be no more than \$15 million invested in a Core Balance strategy, separate from that of cash required for the College's immediate operating needs and liquidity requirements. This Core Balance strategy will be a part of the overall short-term investment portfolio and similarly follow allocation guidelines for approved and prohibited investments, albeit with longer average maturity and duration limits.

### Foreign Securities

The direct purchase of discrete foreign securities that are not denominated in U.S. dollars will be prohibited in any College account set up under these guidelines for short and intermediate term investment. U.S. dollar denominated sovereign and supranational bonds (Yankee bonds) with one year or less of maturity will be permitted for investment. Should a company whose security is held in a short or intermediate term investment account be acquired by a foreign company, the security may remain in the portfolio as long as it is determined by the portfolio manager that it is in the best economic interest of the College to hold the security for the short term. Exempt from this prohibition on foreign securities are high quality money market and commingled funds which may have foreign securities as a small component of the fund.

### Security Downgrades

In the event that any security or fund held in the investment portfolio is downgraded below the rating requirement required by this policy, the security or fund shall be sold within 60 days of such downgrade.

### Risk Parameters

Investment of the College's operating cash will be undertaken by managing those risks that can affect the value of investments. Investment firms engaged by the College will be required to continuously monitor the various types of risk inherent in a diversified institutional investment portfolio.

Interest rate risk will be controlled primarily by investing in bonds with various maturities. Controlling the portfolio's average maturity and duration will also mitigate the negative effects of interest rate risk. At no time will any individually owned security have an effective and/or legal maturity longer than 5 years. **The short-term portfolio used for liquidity management, exclusive of the Core Balance strategy, shall maintain a weighted average effective maturity not to exceed 24 months and an average duration not to exceed 15 months.** Core Balance investments, when managed separately in a discrete portfolio, shall maintain a weighted average effective maturity not to exceed 60 months and an average duration not to exceed 24 months.

Credit risk is managed primarily by limiting the opportunity set to certain approved high quality investments as reflected above that conform to Virginia statutes. Rating agencies, herein referred to as NRSROs, such as Moody's and Standard & Poor's, will be used as a measure to evaluate and monitor credit risk of held investments.

Counterparty risk will be continually monitored to ensure the continued financial strength and investment quality of the issuer.

Required Collateral

~~When investments are made in overnight repurchase agreements, the College will require that its investments be 102% collateralized by U.S. Treasury and Agency obligations, and that this collateral be delivered to the College's custodian bank and identified on the custodian's books as property belonging to the College of William and Mary.~~

Qualified Counterparties

~~Repurchase agreements must be executed only with Qualified Counterparties defined as member banks of the Federal Reserve System having total assets of more than \$1 billion and that are among the 100 largest commercial banks in the U.S.; or, non-bank dealers who are designated by the Federal Reserve Bank of New York as primary dealers in government securities. In both cases, Qualified Counterparties must satisfy the College's credit standards as otherwise defined.~~

Liquidity Constraints

Without the prior approval of the Vice President of Finance of the College, no investments in specific securities shall be made where maturities exceed 3 years (where 5 years is the maximum permitted by this policy). Weighted average life will be used as a proxy for maturity date for mortgage backed securities. The portfolio shall maintain adequate liquidity to ensure the College's ability to meet its operating requirements. At all times, the College shall maintain sufficient liquidity on an overnight basis to ensure clearance of its known payments and unanticipated presentment of checks. The College and its engaged investment manager(s) shall constantly monitor cash levels and maintain a portfolio structure that allows sufficient liquidity within time periods of a day, week, month, and six-months, taking into consideration fluctuating cash levels associated with cyclical revenue and expenditure patterns.

Authorized Personnel and Delegated Authority

The Vice President for Finance of the College or such person(s) he/she designates in writing is (are) authorized to make investment decisions under this policy for the College of William and Mary, including the selection and contractual engagement of professional investment firms that would adhere to the guidelines presented herein and that of generally accepted prudent fiduciary practices.

The Vice President for Finance and certain members of his/her staff shall also be responsible for maintaining internal controls that appropriately safeguard the investable assets of the College consistent with this policy and the permissions given for types of investment and engagement of external professional management. Professional investment management firm(s) engaged by the College MUST be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, showing proof of such prior to their hiring. Before an organization can provide investment management services to the College, it

must confirm in writing that it has reviewed this Policy and is able to fully comply with all requirements. Furthermore, the organization must submit the following materials:

- Proof of its registration with the SEC under the Investment Advisers Act of 1940;
- An annual updated copy of Form ADV, Part II;
- Proof of its registration to conduct business in the Commonwealth of Virginia;
- Demonstrable evidence in providing like services under the *Investment of Public Funds Act*, Chapter 45 of the Code of Virginia; and
- Confirm use of only qualified security brokers/dealers. To achieve qualification, the broker/dealer should be financially stable and have the ability to effectively execute buy and sell transactions. The engaged manager(s) will maintain a list of qualified brokers/dealers who meet the criteria of this Policy; and
- Confirm that procedures for best execution will always be followed and that soft dollar commissions or credits for College asset trades will not be collected or otherwise utilized in the execution of investment services

#### Reporting Requirements

Engaged investment managers shall be required to prepare and deliver comprehensive monthly accounting and analytical reports to the College that provide the following information:

- Monthly buy and sell transactions;
- Monthly realized gains and losses on sales;
- Month-end holdings that show amortized book value, maturity date, yield-on-cost, market value and other features deemed relevant;
- Monthly transactions that account for income, fees and disbursements, purchase of accrued income, and other relevant activity; and,
- Monthly performance of asset categories and the aggregate portfolio.

Engaged investment managers shall be required to prepare and deliver comprehensive quarterly investment reports to the College that provide the following information:

- Summary of recent market conditions, economic developments, a forecast of future economic activity, and an assessment of how the investment manager fared in the investment of the College's funds;
- A comprehensive quarter-end holdings report that further shows the calculated total rate of return for the quarter and year-to-date versus appropriate benchmarks; and,
- Any areas of policy concern warranting discussion with College officials, as in the case of recommended revisions.

#### Performance Benchmarks

Investment performance of the portfolio shall be monitored and evaluated using various individual benchmarks that have similar maturity, duration, and risk characteristics of those investments held in the portfolio. Overall portfolio performance shall be evaluated on an

ongoing basis by management, taking into consideration asset allocation, quality and safety factors, maturities and implied risks, and various external market factors.

Accordingly, the College shall use the 91 Day Treasury Bill Index as the primary benchmark in review of investment performance and may use other benchmarks such as the Merrill Lynch 3-month and 6-month Treasury Bill Indexes and/or the Barclays Capital 3-6 Month Treasury Bill Index for purposes of comparability.

#### Performance Review and Evaluation Requirements

External managers shall be formally evaluated by management at least on an annual basis according to certain criterion that was used in the process of engagement as well as any other more contemporaneous factors that should be noted in a formal evaluation. An overall rating of anything less than satisfactory will be cause for dismissal.

#### Monitoring the Cash Management Investment Policy

The Board of Visitors or its designated subcommittee thereof shall review this policy at least once every three years in order to ensure that the governances, provisions, and guidelines stated herein appropriately reflect the perspective and risk tolerances of the Board with respect to current market conditions. Management will inform the Board of any violations to this policy, discussed below, and extenuating results.

#### Occurrences of Non-Compliance with the Policy and Process of Resolution

Compliance with stated guidelines in this policy is a requirement. Violations of any kind will require full explanation of the event. Management will evaluate the severity of the violation, the circumstances by which it occurred, and the manager's corrective response. Management will then decide what recourse to pursue in dealing with the manager. Should the infraction be serious enough, the manager will be immediately dismissed. Multiple or recurring infractions may warrant immediate dismissal. Lesser infractions will also be documented and discussed with the manager's senior representatives. Resolution and types of restitution will be discussed with the manager depending on the severity of the violation.



APPENDIXCurrent Asset Allocation of Operating Funds as of Dec. 30, 2012 (market value)Short-Term Investment Portfolio

## Federated Gov't Obligations Fund, Institutional Class

Ticker GOIXX (AAAm rating from S&P, Aaa-mf rating from Moody's)	\$52,522,929
Accrued Income	<u>      742</u>
Total Short-Term Investments	\$52,523,671

Core Balance Strategy (3-5 Yr.) Portfolio

## Federated Gov't Obligations Fund, Institutional Class

Ticker GOIXX (AAAm rating from S&P, Aaa-mf rating from Moody's)	\$ 1,005,484
RidgeWorth U.S. Gov't Securities Ultra-Short Bond Fund	
Ticker SIGVX (5 Star rating from Morningstar)	9,109,588
Accrued Income	<u>      7,197</u>
Total Core Balance Strategy	\$10,122,269

**COLLEGE OF WILLIAM AND MARY  
CORPORATE RESOLUTION TO TRANSACT BUSINESS AND CONFIRM  
AUTHORIZED BUSINESS AGENTS FOR THE COLLEGE OF WILLIAM AND MARY**

On November 30, 2012, the Board of Visitors of The College of William and Mary in Virginia met and passed revisions to the *Bylaws* to clarify the power of certain officers of the College to transact business in the name of the College.

Article II, Section 3. of the revised *Bylaws* states:

Concurrently with the President, the Vice President for Finance shall have the authority to transact business in the name of The College of William and Mary in Virginia, including: (1) the transfer, conversion, endorsement, sale, purchase, assignment, conveyance and delivery of any and all shares of stocks, bonds, debentures, notes, and subscriptions warrants, cash or equivalent assets, and evidence of indebtedness; (2) any and all contracts for the purchase of real estate and other property, or other securities or assets now or hereafter owned by the Board of Visitors of the College of William and Mary in Virginia, or bearing any similar designation indicating ownership by the College; (3) agreements setting forth the terms for the acceptance of gifts to the College; and (4) any other agreements necessary to carry out and support the operations of the College, with the exception of those particular assignments made to the Provost or the Vice President for Administration. The sale of real property requires the approval of the Board of Visitors and the Commonwealth of Virginia. The Vice President for Finance shall have the authority to further delegate such authority; such delegation must be consistent with applicable law and regulations, and subject to guidelines for the exercise thereof.

BE IT RESOLVED, That the following statement of certification will accompany this resolution, requiring signature by the Secretary of the Board of Visitors attesting to its validity and correctness:

I, \_\_\_\_\_, Secretary of the Board of Visitors of The College of William and Mary in Virginia, do hereby certify that the foregoing is a true and correct copy of the Resolution approved by the Board of Visitors of said College at a duly constituted meeting held in the City of Williamsburg, Virginia, on the 8<sup>th</sup> day of February, 2013, at which a quorum was present and acting throughout, and that said resolution appears in the minutes of said meeting, and that the same has not been rescinded or modified and is now in full force and effect. I further certify that said organization is duly organized and existing, and has the power to take the action called for by the foregoing resolution. I further certify that W. Taylor Reveley III is President and Samuel E. Jones is Vice President for Finance of The College of William and Mary in Virginia.

Given under my hand and official seal of The College of William and Mary in Virginia on the \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_, Secretary

Board of Visitors

Resolution   14  

February 6-8, 2013

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COLLEGE OF WILLIAM AND MARY  
AMENDMENT OF THE  
ROBY- SHERMAN SCHOLARSHIP FUND  
AS A QUASI-ENDOWMENT

Shirley Roby and Carol Sherman made a generous gift to the College of William and Mary to establish the Roby-Sherman Scholarship Fund, which will provide financial assistance to deserving students with demonstrated interest and ability in dance. The establishment of this fund was approved in Resolution 14 at the September 19-21, 2012, meeting of the Board of Visitors as the Roby-Sherman Scholarship Fund; however, it should have been designated a quasi-endowment.

THEREFORE, BE IT RESOLVED, That the Board of Visitors of the College of William and Mary hereby amends and re-establishes the Roby-Sherman Scholarship Fund as a quasi-endowment.