



| | |
|---|--|
| BOARD OF TRUSTEES POLICY | |
| Policy Type: Executive Limitations | |
| Policy Title: Asset Protection | |
| Policy Number: EL-05 | |
| Date Adopted: 1/13/20 | |
| Version: 3.0 | |
| Date Last Reviewed: 10/11/21 | |
| Office Responsible: President's | |
| Reviewing Committee: Board of Trustees | |

| | |
|----------------------------|-----------------------|
| Governance Process | Ends |
| Board-President Delegation | Executive Limitations |

The President shall not allow assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, without limiting the scope of the above statement by the following list, the President shall not:

1. Permit the organization have inadequate bonding and/or inadequate insurance against property and casualty losses.
 - 1.1. Permit the organization to insure its property with inadequate valuation and limits and for damage due to an insufficient scope of perils.
 - 1.1.1. Insure the buildings and contents with a blanket limit less than 90% of the cost to replace the damaged items with materials of like kind and quality, without deduction for depreciation.
 - 1.1.2. Permit the College to have inadequate insurance for theft, disappearance or destruction of money and securities inside or outside the premises.
 - 1.2. Permit the Board members, staff and individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance.
 - 1.2.1. Allow the organization, Board members, and College staff to have inadequate insurance covering professional liability, errors or omissions related to the administration of or fiduciary duties involved with design or administration of employee benefits, wrongful acts involving personnel or other material decisions, or claims alleging sexual molestation and abuse.
 - 1.3. Permit the organization to have inadequate Privacy/Cyber insurance.
 - 1.4. Permit individuals traveling out of the United States, on behalf of the College, to have inadequate Travel Accident insurance.
 - 1.5. Permit the organization to purchase a bond or crime insurance
 - with inadequate limits;

- which does not cover loss due to dishonesty and lack of faithful performance by personnel having access to material amounts of funds; and
 - which does not comply with any applicable statutory or regulatory obligations related to pensions.
2. Allow unbonded personnel access to material amounts of funds. Allow personnel who are not included under a bond or crime insurance to have access to material amounts of funds.
 3. Unnecessarily expose the organization, its Board members or staff to claims of liability.
 - 3.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.
 - 3.2. Allow any employee or volunteer to be in contact with children under the age of 18 or other vulnerable populations without being screened subject to the requirements of the organization's insurer.
 4. Receive, process or disburse funds under controls which are insufficient to meet audit standards.
 - 4.1. Receive, process or disburse the organization's assets under internal controls insufficient to detect, deter and prevent fraud or insufficient to prevent and detect significant deficiencies or material weaknesses.
 - 4.2. Permit internal controls insufficient to prevent and ensure against tardy, inaccurate, specious or misleading financial reporting.
 5. Make any purchases that do not result in appropriate level of quality, after-purchase service and value for dollar or do not provide opportunity for fair competition.
 - 5.1. Make any purchase wherein normally prudent protection has not been given against conflict of interest.
 - 5.2. Make any purchase of over \$50,000 without having obtained comparative prices and quality from at least three competitive bids. Orders shall not be split to avoid these criteria.
 - 5.3. Make any purchase without a stringent method of assuring the 1) long-term quality 2) cost; or without consideration of 3) the financial support provided to the College by a bidder and 4) Local vendor preference.
 - 5.4. Allow minority, women and veteran vendors to be without information critical to their receiving equitable consideration in competitive bidding.
 6. Make any individual expenditure of greater than \$100,000 that was not included in the initial financial plan for the year, which was assessed by the Board as compliant with the Executive Limitation on Planning.
 7. Compromise the independence of the Board's audit or other external monitoring or advice.

- 7.1. Engage parties already chosen by the Board as consultants or advisers.
8. Allow intellectual property, trademarks and copyrights, information, and files to be unprotected or exposed to loss or significant damage.
9. Endanger the organization's public image, credibility, or its ability to accomplish Ends.
 - 9.1. Allow non-adherence to guidelines required for required institutional and desired supplemental program accreditations.
 - 9.2. Accept gifts or grants which obligate the College to make future expenditures other than those provided for by the gift or grant.
 - 9.3. Publicly position the College in support of, or opposition to, any political party or candidate for public office.
 - 9.4. Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.
 - 9.5. Allow relationships with stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.
 - 9.5.1. Permit inconsistent, disrespectful or untimely response to stakeholder concerns.
10. Change the organization's name or substantially alter its identity in the community.
11. Allow the organization to operate without a plan to mitigate loss to organizational assets damaged by a disaster and to expedite recovery from a disaster.
12. Create or purchase any subsidiary corporation.

| Date Of Change | Version | Description of Change | Responsible Party |
|-----------------------|----------------|--|--------------------------------------|
| 11.11.19 | 1.0 | First release following Policy Governance consulting work. | Chief of Staff |
| 1.13.20 | 2.0 | Edits to original policy recommend by CFO and CEO to enhance clarify of policy | Chief of Staff |
| 10.11.21 | 3.0 | Previous section 8, routine maintenance, removed by the Board. | Executive Assistant to the President |
| | | | |
| | | | |
| | | | |
| | | | |