

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: c

DATE:

October 25, 2019

RECOMMENDATION TO APPROVE REVISIONS TO BOARD POLICIES

ACTION REQUESTED

It is recommended that the Board of Regents of Eastern Michigan University approve the attached revisions to existing Board Policies:

Revisions

Section 1.5	Bylaws
Section 11.1.2	Investments
Section 11.1.4	Reserves
Section 11.1.5	Selection of External Auditors
Section 11.3.1	Purchasing
Section 11.5.1	Surplus Property
Section 14.7	Sale of Commercial Products

STAFF SUMMARY

All University policies must be approved by The Board of Regents of Eastern Michigan University. A University policy is defined by all of the following: a) has broad application throughout the University; and b) helps to ensure compliance with applicable laws and regulations, promotes operational efficiencies, enhances the university's mission or reduces institutional risks.

In an ongoing effort to enhance the transparency of the actions of the University and to align University practice with Board policy, Board Policies are subject to ongoing review and updated as appropriate. All Board Policies are published.

The policies listed for revisions above contain recommended updates in accordance with the attachments, which include the existing policies with the changes highlighted.

FISCAL IMPLICATIONS

None.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.



University Executive Officer
Lauren M. London
General Counsel

10/25/19
Date



Policies, Rules and Regulations

Chapter Name: Powers And Limitations Of The Regents
Chapter No. 1.5
Issue: Bylaws
Effective Date: 9-17-75
Revision Date: 102-125-197

Board of Regents Eastern Michigan University

Rich Baird

First appointed in December 2018
Term expires on December 31, 2026

Dennis M. Beagen

First appointed in December 2014
Term expires December 31, 2022

Michelle Crumm

First appointed in December 2014
Term expires December 31, 2022

Michael Hawks

First appointed in February 2011
Term expires December 31, 2026

Eunice Jeffries

First appointed in December 2016
Term expires December 31, 2024

Alexander Simpson

First appointed in December 2016
Term expires December 31, 2024

Mary Treder Lang

First appointed in December 2012
Term expires December 31, 2020

James Webb

First appointed in December 2012
Term expires December 31, 2020

Former Regents

2010 - Present

+

- Philip A. Incarnati: February 1992 to December 2010
- Gary D. Hawks: January 2007 to December 31, 2010
- Mohamed Okdie: November 2007 to February 2011
- Thomas W. Sidlik: January 2005 to December 2012
- Roy E. Wilbanks: January 2005 to December 2012
- Floyd Clack: June 2005 to December 2014
- Francine Parker: January 2007 to December 2014
- James F. Stapleton: January 2007 to December 31, 2016
- C. Beth Fitzsimmons: February 2011 to December 31, 2016
- Michael G. Morris: January 2011 to December 2018

2000 - 2009

+

- Donna R. Milhouse: April 1999 to February 2000
- William J. Stephens: June 1996 to February 2001
- Robert A. DeMattia: January 1991 to December 2002
- Rosalind E. Griffin: February 1997 to December 2004
- Michael G. Morris: February 1997 to December 2004
- Steven G. Gordon: May 2001 to March 2005
- Joseph E. Antonini: May 1997 to December 2006
- Jan A. Brandon: April 2000 to December 2006
- Karen Quinlan Valvo: March 2001 to December 2006
- Sharon J. Rothwell: January 2003 to December 2006
- Ishmael Ahmed: January 2007 to August 2007

1990 - 1999

+

- Donald E. Shelton: February 1987 to February 1990
- William Simmons: March 1983 to December 1990
- Geneva Y. Titsworth: March 1983 to December 1990
- John H. Burton: January 1985 to January 1992
- Dr. Richard N. Robb: December 1967 to December 1992
- Thomas Guastello: January 1985 to December 1992
- Robin W. Sternbergh: January 1991 to December 1992
- Frederick L. Blackmon: January 1993 to March 1996
- Anthony A. Derezinski: January 1984 to December 1996
- James Clifton: January 1989 to December 1996
- Mara L. Letica: January 1993 to January 1997
- Gayle P. Thomas: January 1991 to January 1999
- Carl D. Pursell: January 1993 to December 1999

1980 - 1989

+

- Linda D. Bernard: October 1977 to December 1980
- James T. Barnes, Jr.: October 1979 to December 1982
- Carleton K. Rush: June 1974 to December 1982
- Dr. Warren L. Board: January 1979 to December 1984
- Dr. Timothy I. Dyer: January 1973 to May 1984
- Dolores A. Kinzel: January 1977 to December 1984
- Beth Wharton Milford: April 1974 to December 1986
- Geraldine M. Ellington: February 1981 to December 1988

1970 - 1979

+

- Lawrence R. Husse: January 1964 to December 1972
- Virginia R. Allan: January 1964 to April 1974
- Veda S. Anderson: November 1967 to December 1974
- Dr. Charles L. Anspach: January 1964 to June 1974
- George E. Stripp: January 1967 to December 1976
- Dr. Mildred Beatty Smith: January 1964 to June 1977
- Edward J. McCormick: January 1964 to December 1978
- Dr. John F. Ullrich: January 1975 to October 1979

1960 - 1969

+

- William Habel: January 1964 to October 1967
- J. Don Lawrence: January 1964 to October 1967
- Dr. Martin P. O'Hara: January 1964 to October 1967

Bylaws

Board of Regents Eastern Michigan University

Preamble

Eastern Michigan University (the "University") is a multipurpose institution founded by the State of Michigan in 1849. It is the second oldest public university in the state. Originally named Michigan State Normal School, it was the first teacher training college west of the Allegheny Mountains. Teacher preparation was the primary purpose of the institution for 100 years, but this purpose was broadly interpreted and included instruction in liberal arts, science and other areas vital to the background of a well-qualified teacher. The name was changed to Michigan State Normal College in 1899 and, in recognition of the development of regional teachers' colleges in the state, to Eastern Michigan College in 1956. With the establishment of the Colleges of Arts and Sciences and Education, as well as a graduate school, Eastern attained university status June 1, 1959. The College of Business was created in 1964, the College of Health and Human Services in 1975, and the College of Technology in 1980, which was renamed the College of Engineering and Technology in 2019.

In all, more than 300 majors, minors and concentrations are delivered through the University's five colleges and graduate school.

ARTICLE VIII, Section 6, of the Michigan Constitution, adopted by the people of the State of Michigan in 1963 to become effective January 1, 1964, granted constitutional autonomy to Eastern Michigan University.

The Board of Regents of Eastern Michigan University (the "Board" or "Board of Regents") reaffirms its obligation to the people of the state of Michigan to provide high quality education to people from all walks of life. It pledges itself to the wisest use and distribution of resources at its disposal to meet this major objective. In keeping with this commitment, Eastern Michigan University will not discriminate against any person because of race, color, sex, marital status, age, religion, national origin or ancestry, Vietnam-era veteran status, non-relevant mental or physical disability, or any other protected status. Further, Eastern Michigan University does not discriminate against any person because of sexual orientation, or gender identity or expression.

The sexual orientation and gender identity or expression provisions of this policy shall not prohibit the University from maintaining relationships with agencies of the federal government, and shall not be applied to conflict with any provisions of the Michigan Constitution. Further, except where approved by separate action of the Board of Regents, the sexual orientation and gender identity or expression provisions of this policy shall not apply to employment benefits, family housing, financial aid packages, or student residency status.

With respect to students, the Board declares its intention to provide the opportunity for each to realize his or her highest potential, to formulate and enforce reasonable rules governing student conduct, and to give due consideration to the opinions of students on matters related directly to their interest when they are expressed in a responsible manner.

With respect to the alumni, the Board invokes their loyal support of the University and invites their advice and counsel, reminding them that the esteem of the University is measured constantly by their performance as educated men and women.

With respect to the people of Michigan, the Board openly acknowledges that this University is, in the final analysis, their University. As a public institution, Eastern Michigan University is obligated to serve the best interests of the people who support it, as it can best determine those interests, and the operation of the University by the Regents is governed by the Michigan Constitution.

Finally, the Board of Regents holds as its special trust the historic mission of a University to create an intellectual climate that will challenge and encourage the vigorous development and courageous expression of the human mind and spirit. Specifically, the Board of Regents recognizes that it has a primary responsibility to assure the University of the financial and other resources necessary to the successful performance of its mission. The Board believes that the best method of assuring that support is to interpret the University faithfully and continually to its fellow citizens, to the legislature and elected state officials, and to the federal government, and thus persuade them of the essential importance of the University's mission. To those tasks of interpretation and persuasion, the Board is committed by its appointment to office, and to those tasks it pledges itself without reservation.

In order to exercise the principles here declared, to achieve the objectives of Eastern Michigan University and to ensure that the conduct of its own officers will be in accord with the highest standards of educational administration, the Board of Regents adopts its bylaws:

Article I

The Corporation

1.01

Eastern Michigan University is an institution of higher education having authority to grant baccalaureate, post-baccalaureate and graduate certifications, and masters, specialist, and doctorate degrees.

1.02

Eastern Michigan University shall be governed by a board of control which shall be a body corporate and shall be known as the Board of Regents.

Article II

The Board of Regents

2.01

The Constitution of the State of Michigan provides that this University shall be governed by a board of control which hereinafter is referred to as the Board of Regents, which shall be a body corporate. The Board has general supervision of the institution and the control and direction of all expenditures from the institutional funds.

2.02

The Constitution of the State of Michigan further provides that the Board, as often as necessary, shall elect a president of the institution under its supervision who shall be the principal executive officer of the institution and who shall be an ex-officio member of the Board without a right to vote.

2.03

The eight-member Board of Regents is appointed by the governor of the state with the advice and consent of the Michigan Senate. Members of the Board of Regents serve without compensation and receive only actual necessary expenses incurred by them in the performance of the duties of their office.

Article III

Meetings of The Board

3.01 Formal Sessions

Formal sessions of the Board shall be open to the public, and reasonable and proper public notice shall be given as to the time and place.

3.01.01

A “formal session” of the Board is defined as one that is convened for the purpose of taking or memorializing final Board action that is binding on the Board.

3.01.02

A majority of the [appointed](#) members of the Board of Regents (each member, individually, a “Regent”) shall constitute a quorum to transact business at a formal session, but a smaller number may meet and adjourn to some other time or until a quorum is obtained.

3.01.03

The business at each formal session shall be conducted under general parliamentary rules set forth in Robert's Rules of Order as modified by the rules and regulations of the Board.

3.01.04

Formal sessions may be either regular meetings (as defined in Section 3.03) or special meetings (as defined in Section 3.04).

3.02 Informal Sessions

An “informal session” of the Board is defined as one that is not convened for the purpose of taking or memorializing final Board action that is binding on the Board. Informal sessions include those meetings that are not held in formal session.

3.03 Regular Meetings

Regular meetings shall be formal sessions of the Board.

3.03.01

The Board shall hold regular meetings as it deems necessary, but not less than four (4) times per year. Such regular meetings shall be held on dates and at times as the Board may determine, and ordinarily will be held in Welch Hall at Eastern Michigan University in Ypsilanti, Michigan.

3.03.02

The Board shall consider at its regular meetings items that have been placed on the meeting agenda. The Board may consider additional items of business at its regular meeting only by a majority vote of those [Regents](#) present.

3.03.03

The Secretary to the Board of Regents shall be responsible for the preparation of the agenda. The Secretary will be responsible for contacting the President, the Chairpersons of Board Committees and the Chairperson of the Board for items to be placed on the agenda.

3.03.04

Persons wishing to speak before the Board at a regular meeting may do so during the Communications portion of the regular meeting. The Communications portion of the meeting shall be limited to thirty (30) minutes. Persons will be asked to identify themselves as to name, address, and organization they represent, if any.

3.03.05

Persons desiring to address the Board must declare their intent ~~to do so by completing~~ appropriate forms ~~and submitting them to the Vice President and Secretary of the Board~~ at least twenty-four (24) hours prior to the beginning of the Communications portion of the meeting.

3.03.06

The amount of time allotted for each individual to speak ~~will depend on the number of persons wishing to~~ ~~Speak shall be no more than three (3) minutes. The number of individuals who may speak shall be limited to the~~ ~~first ten (10) individuals who declare their intent to address the Board pursuant to Bylaw 3.03.05. Normally no~~ ~~individual should speak more than 15 minutes, but if there are more than two speakers, that time shall be reduced~~ ~~accordingly.~~

3.03.07

In those instances to which more than three persons wish to present their views to the Board and all represent a single organization or unit, the presentation will be limited to ~~one presenter of 15 minutes or~~ three (3) presenters for ~~three (3) five~~ minutes each.

3.04 Special Meetings

Special meetings shall be formal sessions of the Board.

3.04.01

Special meetings of the Board may be called by the Chairperson or upon the request of any three Regents in accordance with established rules. Each Regent shall be informed of the special meeting, by messenger or telephone, at least 24 hours before the scheduled meeting time of the special meeting, provided, that any Regent who has previously so notified the Secretary of the Board may elect to be informed of special meetings by email communication, in which case such communication also shall be effective as to such Regent. Only those matters for which the special meeting has been called shall receive consideration unless unanimous consent is granted by the total Board.

3.04.02

A Regent may participate ~~and vote~~ in a special meeting by means of conference telephone or similar communications equipment so long as all persons participating in the meeting can hear each other. Participation in a special meeting pursuant to this provision shall constitute presence at the meeting, for purposes of determining a quorum, provided, however, that more than one-half of the Regents participating in a special meeting must be physically present at the meeting.

3.05 Emergency Actions

Emergency action may be taken by the Board between formal sessions if and when any matter arises that, in the opinion of the Chairperson or any three Regents, requires official action by the Board prior to the next formal session. An affirmative vote, in person or by telephone, facsimile, electronic mail, or other reliable method of communication, from five Regents, is required for action. Any action taken ~~ast~~ an emergency ~~action meeting~~ ~~pursuant to this Bylaw 3.05~~ shall be presented to the Board for confirmation, at the next formal session of the Board.

Article IV _____

Officers and Organization

4.01 Chairperson

The Board shall elect ~~bi-annually, in odd-numbered years at its last meeting of the year, one of the~~ Regents to serve as Chairperson ~~and presiding officer of the Board. The election shall be held at the last Board meeting before the expiration of the current Chairperson's term. The term of the Chairperson's term shall be for no more than~~ two years ~~and it . The Chairperson shall begin the day after the former Chairperson's term expires as the presiding officer on January 1 of the following year.~~ The Chairperson shall perform such duties as may be prescribed by law or by the regulations of the Board. As outlined in Section 4.02 of these Bylaws, the Chairperson shall appoint the Vice Chairperson in the event the position of Vice Chairperson becomes vacant prior to the completion of the ~~two~~

~~year Vice Chairperson's term. The Chairperson will appoint the Chairs of the standing committees described in Bylaw 5.01, whose membership is not established by the Bylaws.~~

4.02 Vice Chairperson

~~The Board shall elect bi-annually, in odd-numbered years at its last meeting of the year, one of the Regents to serve as Vice-Chairperson. The election shall be held at the last Board meeting before the expiration of the current Vice-Chairperson's term. The Vice-Chairperson's term of the Vice-Chairperson shall be for no more than two years and it shall begin the day after the former Vice-Chairperson's term expires. At the last meeting of the year in 2017, the Board, in its discretion, may elect two persons to serve as Vice-Chair, one of whom shall be designated to have a one year term. The Vice-Chairpersons will begin the term on January 1 of the following year. The Vice Chairperson who holds the two year term will act as Chairperson in the absence of the Chairperson, and shall become Chairperson for the remainder of the Chairperson's two-year term in the event the position of Chairperson becomes vacant for any reason. In the event the position of Vice Chairperson becomes vacant for any reason during the Vice Chairperson's term of office, the Chairperson shall appoint one of the Regents to serve as Vice-Chairperson to fill the remainder of the two-year vacated term.~~

4.03 Vice - President and Secretary

The Board shall appoint a Vice-President and Secretary to the Board who shall be a member of the President's executive team and responsible to the Board and shall serve at the pleasure of the Board. In concert with the President, the Vice-President and Secretary plans, coordinates and facilitates the work of the Board of Regents of Eastern Michigan University to enable it to effectively govern the University and to facilitate effective communication between the members of the Board and the President's executive team.

The Vice-President and Secretary shall keep a public record of all actions of the Board. The Vice-President and Secretary will duly execute for and on behalf of the Regents of Eastern Michigan University or Eastern Michigan University such instruments or documents which would devolve to a corporate officer and would be usual to that office. The Vice-President and Secretary shall be the custodian of the corporate seal and shall cause it to be used at the direction of the Board of Regents. The Vice-President and Secretary shall sign all requisitions for transactions directed by the Board.

The Vice-President and Secretary shall be the Board of Regents' representative for external organizations affiliated with the University.

4.03.01

The Vice-President and Secretary shall perform such other duties as may be required of him or her by the Board and/or the Chairperson of the Board.

4.03.02

The appointment of the Vice-President and Secretary shall be subject to the ineligibility provision set forth in Section 4.07 of this Article.

4.04 Treasurer

The Board shall appoint a Treasurer to the Board who shall be a member of the President's executive team and serve at the pleasure of the Board. The Treasurer is charged with the responsibility for the collection, custody and accounting of all monies due the University. The Treasurer is authorized to sign checks for the expenditure of funds approved by the Board of Regents and to refuse expenditures not authorized by the Board or by budgets approved by the Board.

4.04.01

The Treasurer or his or her designee shall sign all formal applications for grants of funds for research, extension or other University purposes as directed by the Board prior to the President's signature being placed on such documents.

4.04.02

The Treasurer shall prepare an annual financial report at the close of each fiscal year and such other interim reports as the President and Board of Regents may request.

4.04.03

The Treasurer shall perform such other duties as may be required by the President and/or the Board of Regents.

4.04.04

The Board may also appoint an Assistant Treasurer, who shall serve at the pleasure of the Board, to act in the absence of the Treasurer.

4.04.05

The appointment of the Treasurer and of any Assistant Treasurer shall be subject to the ineligibility provision set forth in Section 4.07 of this Article.

4.05 President

The Board shall, as often as necessary, elect a President of the University who shall serve at the pleasure of the Board. He or she shall be an ex-officio member of the Board without a right to vote and shall serve as the University's chief executive officer.

4.05.01

As the chief executive officer of the University, the President shall exercise such powers as are inherent in the position in promoting, supporting, or protecting the interests of the University and in managing and directing all of its affairs. The President shall be responsible for implementing the policies of the Board, and may issue directions and executive orders not in contravention of existing Board policies. The President shall be responsible for all business policies as heretofore enacted or modified or hereafter established subject to the general policies established by the Board. The President shall, in consultation with the Board, develop an annual budget (including, but not limited to, tuition and fees) and projected multiple year budget for the University, that reflects the Board's policies, for approval by the Board. The President shall be responsible for hiring University employees, subject to Board approval. The hiring of members of the President's executive team shall be subject to prior consultation and discussion with the Board's Personnel and Compensation Committee, and interviews of candidates considered for a position in the President's administrative team may include Regents, as directed by the Chairperson of the Board and/or the Personnel and Compensation Committee. The President shall review and sign all requisitions for transactions that have been approved by the Board. The President shall exercise such other powers, duties and responsibilities as are delegated to or required of him or her by the Board.

4.06 Auditor

The Board's Audit Committee shall appoint an Internal Auditor who shall report to the Audit Committee, and who shall receive supervision from the Chairperson of the Audit Committee. The Board's Audit Committee shall also be charged with recommending to the Board the selection of an external auditor, who shall be appointed by the Board, and who shall receive supervision from the Chairperson of the Audit Committee.

4.07 Ineligibility

No Regent shall be eligible to be appointed as Secretary, Treasurer, or Assistant Treasurer of the Board, as provided in MCL 390.552.

Article V

Committees

5.01

The Board may appoint committees and prescribe their duties and functions. There shall be seven standing committees of the Board:

1. Educational Policies Committee
2. Faculty Affairs Committee
3. Finance and Investment Committee
4. Student Affairs Committee
5. Athletic Affairs Committee
6. Personnel and Compensation Committee
7. Audit Committee

5.02

After ~~the bi-annual election of~~ the Chairperson of the Board ~~begins a new term~~, the Chairperson of the Board shall appoint Chairpersons and Vice-Chairpersons of the standing committees and any special committees requested by Regents (except as outlined in Section 5 of this Article).

5.03

Special committees may be authorized or appointed by the Chairperson of the Board at his or her discretion.

5.04 Educational Policies Committee

The Educational Policies Committee shall be charged with the duty of reviewing and evaluating all existing educational programs. The Committee shall also review all educational grants, requests for new programs, requests for new majors and minors, requests for new degrees and personnel appointments prior to action by the Board of Regents. Further, the Committee shall be charged with the responsibility of making final recommendations to the Board on honorary degrees. The Committee shall also perform other duties as assigned by the Board.

5.04.01

The University officer assigned to the Educational Policies Committee shall be the Provost.

5.05 Faculty Affairs Committee

The Faculty Affairs Committee shall be charged with the duty of meeting with representatives of the faculty to discuss general concerns of the faculty and the University, excluding any matters covered by the collective bargaining agreement. The Committee shall share its deliberations with the Board and make appropriate referrals to the other committees when further study on a matter is required. The Committee shall also perform other duties as assigned by the Board.

5.05.01

The University officer assigned to the Faculty Affairs Committee shall be the Provost.

5.06 Finance and Investment Committee

Pursuant to the Michigan Constitution, the Finance and Investment Committee shall work closely with the President and/or his/her executive officers to develop an annual budget for the University that directs and controls the University's funds consistent with the Board's goals, and that establishes annual rates for tuition and fees. The Committee will be charged with oversight and review of the University's borrowing and investment policies, opportunities and strategies, and capital investment criteria. The Committee also shall be charged with the duty of reviewing the financial affairs and the property of the University and reporting its findings thereon to the Board. Further, the Committee shall review all major proposed contracts prior to the contracts being recommended to, or executed by, the Board. The Committee shall perform other duties as assigned by the Board.

5.06.01

The University officer assigned to the Finance and Investment Committee shall be the University's Chief Financial Officer.

5.06.02

The Charter of the Finance and Investment Committee is appended to these Bylaws as Schedule A.

5.07 Student Affairs Committee

The Student Affairs Committee shall be charged with the duty of meeting with student leaders to discuss programs, policies, and general concerns of the students. The Committee shall share its deliberations with the Board and make appropriate referrals to the other Board committees when further study on a matter is required. It shall make appropriate recommendations. The Committee shall also perform other duties as assigned by the Board.

5.07.01

The University officer assigned to the Student Affairs Committee shall be the Provost.

5.08 Athletic Affairs Committee

The Athletic Affairs Committee shall be charged with the duty of meeting regularly with the Athletic Director and representatives of the Athletic Department to review and evaluate all existing athletic programs, policies, advancement initiatives and athletic related community relationships. The Committee shall review and make a recommendation to the Board regarding the Athletic Department's budget prior to presentation of that Budget to the Board, to ensure a high quality academic and athletic experience for student athletes. The Committee shall report its deliberations and findings to the Board and shall make appropriate referrals to other committees when further study on a matter is required. The Chairperson of the Committee shall work closely with the Athletic Director to develop the agenda for Committee meetings. The Committee shall also perform other duties as assigned by the Board.

5.08.01

The University officer assigned to the Athletic Affairs Committee shall be the Athletic Director.

5.09 Personnel and Compensation Committee

The Personnel and Compensation Committee shall be charged with reviewing all policy matters regarding the establishment of goals and objectives, performance assessment and pay structures for the President of the University, the Board Secretary, and Board Treasurer, and will make recommendations to the Board of Regents regarding all such matters.

The Committee will periodically review with the President the procedures and methods used in the evaluation of the members of the President's executive team and will advise the President on the performance and operations of the members of the President's executive team. The President will seek input from the Personnel and Compensation Committee on annual performance evaluations of the President's executive team prior to the evaluations being presented to those individuals. The Committee will review salary studies, market data and other relevant information for the members of the President's executive team on an annual basis. In the event of the hiring or termination of any member of the President's executive team, the President will consult with the Chairperson of the Board and/or the Personnel and Compensation Committee prior to taking any formal action.

The Committee shall also have the authority to review and approve all proposed contracts (including contract renewals or extensions) for temporary or permanent individual employment and proposed contracts for employment consulting for the President's executive team.

At the discretion of the Chairperson of the Board and/or the Committee, the Committee may interview candidates considered for a position in the President's executive team prior to the hiring of such individuals, as outlined in Section 4.05.01 of these Bylaws.

The Committee will also work with the President on succession planning and personnel development issues for the President and the members of the President's executive team.

The Committee shall also perform other duties as assigned by the Board.

5.09.01

The Committee shall be chaired by the Vice Chairperson of the Board. The Committee shall also include two other members: the Chairperson of the Finance and Investment Committee, and one other Regent who shall be appointed by the Chairperson of the Board.

5.09.02

The University officer assigned to the Committee shall be the Vice-President and Secretary to the Board of Regents.

5.10 Audit Committee

An External and Internal Auditor shall be appointed and supervised in accordance with Bylaw Section 4.06. The Audit Committee shall meet with the Internal and External Auditor to discuss his or her operations and to recommend the adoption or revision of such general policies relating thereto as may be found appropriate. The

Committee shall also be charged with oversight of the University's insurance and risk management programs and with oversight and due diligence of the establishment of the University's entrepreneurial activities. The Charter of the Audit Committee is appended to these Bylaws as Exhibit B.

5.10.01

The University Officer assigned to the Audit Committee shall be the University's Chief Financial Officer.

5.11 Resources and Authority

Any of the aforementioned Committees may investigate any matter brought to its attention pertaining to its oversight areas, with full access to all books, systems, records, facilities and personnel of the University. The aforementioned Committees may engage independent counsel and other advisors as it determines necessary to carry out its duties at University expense, [subject to approval by the Board](#).

Article VI

Collective Authority and Action

6.01

The authority of the Board of Regents is conferred upon it as a Board, and the Board can bind the body corporate and the University only by acting as a Board. No individual Regent shall bind the Board or the University to any contractual or other legal obligation without prior approval of the Board. Individual Regents otherwise may take such actions as are expected and consistent with their positions as Regents, or as a member of a Board committee.

Article VII

Amendments

7.01

These bylaws, [which include Schedules A and B](#), may be amended or repealed at any formal session of the Board, by an affirmative vote of a majority of the Regents, provided that copies of the proposed amendments or notices of repeal are submitted in writing to each Regent at least 24 hours in advance of such formal session.

Article VIII

Indemnification

8.01 Duty to Indemnify Regents

Except as expressly set forth in this Article, the Board will defend, hold harmless, and indemnify (collectively hereafter, "indemnify" or "indemnification") a Regent against any threatened, pending, or completed action, suit, or proceeding of any kind or type (including arbitration and alternative dispute resolution proceedings), whether civil, criminal, administrative, or investigative, including relative to any appeal, and wherever brought, if the involvement of the Regent in such action, suit, or proceeding arises:

- a. by virtue of the fact that he or she is or was a Regent, or is or was serving pursuant to the request of the Board as a director, officer, trustee, or similar position of another entity (i.e., corporation, partnership, limited liability company, joint venture, trust, etc.), or
- b. from actions taken in the course of duties as a Regent.

This obligation extends to the payment as incurred of all expenses (including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement) (hereafter, "Expenses").

8.02 Conclusive Presumption of Coverage

Indemnification under this Article shall be conclusively presumed unless a final and non-appealable determination has been made by a court of competent jurisdiction (at the request of the Board or any party to such action, suit, or proceeding) that the Regent:

- a. had no reasonable cause to believe that his or her conduct was in the best interests of the Board or the University, or
- b. failed to satisfy the terms and conditions of this Article, or
- c. with respect to a criminal action, suit, or proceeding, had reasonable cause to believe that his or her conduct was illegal.

The termination of any action, suit, or proceeding by judgment, order, settlement (whether with or without court approval), conviction, or a plea of nolo contendere or its equivalent, shall not create a presumption or be used as evidence that the Regent did not meet the requisite standard of conduct or had any particular belief or that a court has determined that indemnification is not permitted under this Article or by applicable law.

8.03 Reimbursement of Expenses

In the event that a determination is made pursuant to Section 8.02 above that the Regent is not entitled to indemnification under this Article or that indemnification should be revoked or terminated, the Regent shall repay any and all Expenses paid by the Board to or on behalf of the Regent. If a Regent is entitled to indemnification by the Board for a portion of his or her Expenses, but not, however, for the total amount of such Expenses, the Board shall nonetheless indemnify the Regent for that portion of Expenses to which the Regent is entitled to indemnification under this Article.

8.04 Notice and Cooperation By Regent

As a condition to obtaining indemnification under this Article, the Regent must give prompt notice to the Board and the Office of the General Counsel of the pendency of any action, suit, or proceeding for which he or she may seek indemnification, and shall keep the Board and the Office of the General Counsel apprised of all significant developments in the action, suit, or proceeding. A Regent's full cooperation with assigned legal counsel is a condition of continued defense and indemnification under this Article.

8.05 Selection of Legal Counsel

Selection of legal counsel shall be made as follows:

- a. The General Counsel, after consultation with the Board, shall have authority over selection of all legal counsel to represent the individual Regents indemnified under this Section, except in the following cases:
 - i. In any criminal matter, the Regent shall have sole authority over the selection of legal counsel.
 - ii. In the event the named parties to any action, suit, or proceeding include a Regent and the Board or other Regents, and a named Regent has been advised by the General Counsel, or by legal counsel selected under Section 8.05(a) above, that there may be one or more legal defenses/positions available to him or her that conflict or may conflict with those available to one or more other named Regents (or the named Board), the named Regent then shall have the right to select separate legal counsel, and the Board shall then indemnify such named Regent for all Expenses incurred by such named Regent; provided, the Board will not be required to indemnify such named Regent for any settlement of any such action, suit, or proceeding effected without the Board's prior written consent.
- b. A Regent may, at any time at his or her own expense, retain separate legal counsel rather than avail himself or herself of this Article. In such event, the Board will not reimburse Expenses or provide any indemnification under this Article.

In matters where an individual Regent is a named party and the General Counsel has selected legal counsel for the named Regent, such legal counsel will keep the named Regent informed of the status of the action, suit, or proceeding.

8.06 Strategy and Settlement

Except in the case of a criminal matter, the Board shall have sole decision-making authority over all litigation and settlement strategies. In any criminal matter, the Regent involved shall have sole decision-making authority over all litigation and settlement strategies. Once the Board has settled an action, suit, or proceeding, the Board shall not be required to further indemnify a Regent with respect to that action, suit, or proceeding.

8.07 Non-Exclusivity

The indemnification provided in this Article shall not be exclusive of any other rights to which a Regent may be entitled under any statute, bylaw, insurance policy, agreement, or otherwise.

8.08 No Duplication of Recovery

Indemnification will be made under this Article only to the extent that the Regent is not made whole for his or her Expenses from all other sources of indemnification, including insurance maintained by the University. In no case will indemnification under this Article be in an amount which, when combined with the indemnification from all other sources of indemnification, exceeds the actual amount of Expenses incurred by the Regent.

8.09 Actions Brought By Regent

The Board shall not be required to indemnify a Regent in connection with an action, suit, or proceeding brought by such Regent unless such action, suit, or proceeding was authorized by the Board in advance and the Board expressly agrees to such indemnification.

8.10 Actions Brought By Board

The Board shall not commence, and hereby waives any right to commence, any action, suit, or proceeding, for monetary damages, against a current or former Regent, for breach of the Regent's fiduciary duty, or relative to any act or omission of the Regent, except as follows:

- i. Acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- ii. An act or omission that is grossly negligent; or
- iii. A transaction from which the Regent derived an improper personal benefit.

The Board shall not be required to indemnify a Regent in connection with an action, suit, or proceeding brought by or on behalf of the Board against the Regent.

8.11 Enforcement

If a claim for indemnification under this Article is not paid in full by the Board within ninety (90) days after a written claim has been received by the General Counsel, the Regent making the claim may at any time thereafter bring suit against the Board to recover the unpaid amount of the claim, and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim.

8.12 Modifications

The right to indemnification set forth in this Article shall be deemed to be a contract right between the Board and each Regent who serves in such capacity at any time while this Article is in effect, and any repeal or modification of this Article shall not affect any rights or obligations then existing, with respect to any state of facts then or theretofore existing, or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

8.13 Application

This Article applies to any Regent of the University. The indemnification provided for in this Article continues as to a person who ceases to be a Regent, and the rights and benefits of this Article shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of Regents.

8.14 Severability

Each and every section, term, and provision of this Article shall be considered severable in that, in the event a court finds any section, term, or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining sections, terms, and provisions shall not be affected, and this Article shall be construed in all respects as if the invalid or unenforceable section, term, or provision had been omitted.

8.15 Inquires, Notices and Communication

All inquires, notices, and communications regarding this Article or related to any action, suit, or proceeding for which indemnification is or may be sought pursuant to this Article shall be directed to the Office of the General Council.

Schedule A to Bylaws of Board of Regents of Eastern Michigan University

Regents of Eastern Michigan University Committee Charter

Finance and Investment Committee

Mission Statement

The Finance and Investment Committee provides oversight to the Board of Regents of the financial and investment performance, policies and practices of Eastern Michigan University by ensuring effective management of the University's revenues and expenses, providing uncompromising stewardship for the University's financial and capital resources and by providing business and financial guidance to the many different constituencies at the University.

I. Responsibilities of the Finance and Investment Committee:

a. Finance Responsibilities

- Review and monitor the overall financial health of the University
- Review and ensure that financial policies are current and applicable
- Review University budgets, including strategy, forecast projections, tuition/fees and assumptions for State Appropriations
- Review building and capital needs (including property acquisitions and disposals) and the related debt program, including structure, policy, strategy and future capacity
- Review tax compliance and exposure management
- Review all major contracts prior to their being recommended to the Board for action.
- Review annually the travel and hosting expenses of the President and his/her family.

b. Investment Responsibilities

- Review investment policies, including investment goals, model asset allocation, distribution policies and performance benchmarks, and investment reporting policies and practices, and ensure adherence to such policies.
- Review investment costs, including costs of internal management, fees to outside managers, custodial, reporting and brokerage fees.
- Review performance of investments compared to relevant benchmarks or indices.

II. Composition and Meetings:

The Chairperson of the Board of Regents will appoint the Chairperson of the Finance and Investment Committee. The Chief Financial Officer will act as the staff liaison to the Finance and Investment Committee. All appointments will be at the pleasure of the Board Chairperson. The Finance and Investment Committee may, at its discretion, hire financial expertise from outside the University, subject to approval by the Board.

The Finance and Investment Committee will advise the Board on matters pertaining to its oversight areas and will present periodic reports and recommendations, but will not have the power to bind the Board on any matter. The Finance and Investment Committee may meet as often as necessary, but not less than four times in a calendar year (corresponding with regularly scheduled Board meetings).

Schedule B to Bylaws of Board of Regents of Eastern Michigan University

Regents of Eastern Michigan University Committee Charter Audit Committee

Audit Responsibilities

- Be directly responsible for the appointment, compensation and retention of the University's independent internal auditor, review and approve the annual internal audit plan, evaluate annually the performance of the auditor, and provide the auditor with direct access to the Audit Committee.
- Recommend to the Board the selection of an external auditor, who shall be appointed by the Board, evaluate annually the performance of the auditor, and provide the auditor with direct access to the Audit Committee.
- Review with the administration and the independent auditor the clarity and completeness of the annual audit of the university's financial statements and supplemental information. Review and approve the annual statements and supplemental information.
- Meet with internal and external auditors at least three times per year.

- Review annually the compensation plans, policies and programs (including salary, benefits and perquisite benefits) of the President and other “Key Officers” as determined by the Audit Committee.
- Review annually with the independent auditors the University’s Risk Assessment and Risk Management policies and procedures, financial risk of lost assets, operational risk of ineffective and inefficient operations, compliance risk of violating laws, regulations and University policies and procedures and reputational risk regarding public relations matters are effectively managed. Ensure that the University is properly insured against losses.
- Establish and provide on-going review of the University’s procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, or other matters of questionable fiduciary and stewardship actions. Ensure that confidential, anonymous reporting mechanisms are in place and that all employees, students and other University stakeholders are aware of their existence.
- Review the University’s insurance and risk management programs.
- Oversee due diligence of the establishment of the University’s entrepreneurial activities.
- The aforementioned responsibilities of the Audit Committee may be modified or supplemented as appropriate at any time.

Composition and Meetings

The Chairperson of the Board of Regents will appoint the Chairperson of the Audit Committee. The Chief Financial officer will act as the staff liaison to the Audit Committee. All appointments will be at the pleasure of the Board Chairperson. The Audit Committee may, at its discretion, hire appropriate expertise from outside the University, subject to approval by the Board.

The Audit Committee will advise the Board on matters pertaining to its oversight areas and will present periodic reports and recommendations, but will not have the power to bind the Board on any matter. The Audit Committee may meet as often as necessary, but not less than ~~at~~ four times in a calendar year (corresponding with regularly scheduled Board meetings).

Adoption of Chapter

The Board of Regents has adopted this Charter on March 21, 2006, and amended this Chapter on June 23, 2009 and April 16, 2013.

Authority for Creation and Revision:

Minutes of the Board of Regents, September 17, 1975; para. .1570M
 Minutes of the Board of Regents, May 22, 1985; para. .3103M
 Minutes of the Board of Regents, May 19, 1992; para. .4557M
 Minutes of the Board of Regents, September 22, 1992; para. .4604M
 Minutes of the Board of Regents, January 26, 1993; para. .4656M
 Minutes of the Board of Regents, January 23, 1996; para. .5072M
 Minutes of the Board of Regents, June 20, 2000; para. .5689M
 Minutes of the Board of Regents, March 18, 2003; para. .6099M
 Minutes of the Board of Regents, March 16, 2004; para. .6251M
 Minutes of the Board of Regents, March 15, 2005; para. .6422M
 Minutes of the Board of Regents, June 21, 2005; para. .6465M
 Minutes of the Board of Regents, August 2, 2005; para. .6472M
 Minutes of the Board of Regents, March 21, 2006; para. .6601M
 Minutes of the Board of Regents, June 19, 2007; para. .6723M
 Minutes of the Board of Regents, June 23, 2009
 Minutes of the Board of Regents, September 21, 2010
 Minutes of the Board of Regents, September 18, 2012
 Minutes of the Board of Regents, December 6, 2012
 Minutes of the Board of Regents, April 16, 2013
 Minutes of the Board of Regents, March 25, 2014
 Minutes of the Board of Regents, January 30, 2015
 Minutes of the Board of Regents, December 15, 2017

Last Review Date: December 2017



Policies, Rules and Regulations

Chapter Name:	Powers And Limitations Of The Regents
Chapter No.	1.5
Issue:	Bylaws
Effective Date:	9-17-75
Revision Date:	10-25-19

Board of Regents Eastern Michigan University

Rich Baird

First appointed in December 2018
Term expires on December 31, 2026

Dennis M. Beagen

First appointed in December 2014
Term expires December 31, 2022

Michelle Crumm

First appointed in December 2014
Term expires December 31, 2022

Michael Hawks

First appointed in February 2011
Term expires December 31, 2026

Eunice Jeffries

First appointed in December 2016
Term expires December 31, 2024

Alexander Simpson

First appointed in December 2016
Term expires December 31, 2024

Mary Treder Lang

First appointed in December 2012
Term expires December 31, 2020

James Webb

First appointed in December 2012
Term expires December 31, 2020

Former Regents

2010 - Present

+

- Philip A. Incarnati: February 1992 to December 2010
- Gary D. Hawks: January 2007 to December 31, 2010
- Mohamed Okdie: November 2007 to February 2011
- Thomas W. Sidlik: January 2005 to December 2012
- Roy E. Wilbanks: January 2005 to December 2012
- Floyd Clack: June 2005 to December 2014
- Francine Parker: January 2007 to December 2014
- James F. Stapleton: January 2007 to December 31, 2016
- C. Beth Fitzsimmons: February 2011 to December 31, 2016
- Michael G. Morris: January 2011 to December 2018

2000 - 2009

+

- Donna R. Milhouse: April 1999 to February 2000
- William J. Stephens: June 1996 to February 2001
- Robert A. DeMattia: January 1991 to December 2002
- Rosalind E. Griffin: February 1997 to December 2004
- Michael G. Morris: February 1997 to December 2004
- Steven G. Gordon: May 2001 to March 2005
- Joseph E. Antonini: May 1997 to December 2006
- Jan A. Brandon: April 2000 to December 2006
- Karen Quinlan Valvo: March 2001 to December 2006
- Sharon J. Rothwell: January 2003 to December 2006
- Ishmael Ahmed: January 2007 to August 2007

1990 - 1999

+

- Donald E. Shelton: February 1987 to February 1990
- William Simmons: March 1983 to December 1990
- Geneva Y. Titsworth: March 1983 to December 1990
- John H. Burton: January 1985 to January 1992
- Dr. Richard N. Robb: December 1967 to December 1992
- Thomas Guastello: January 1985 to December 1992
- Robin W. Sternbergh: January 1991 to December 1992
- Frederick L. Blackmon: January 1993 to March 1996
- Anthony A. Derezinski: January 1984 to December 1996
- James Clifton: January 1989 to December 1996
- Mara L. Letica: January 1993 to January 1997
- Gayle P. Thomas: January 1991 to January 1999
- Carl D. Pursell: January 1993 to December 1999

1980 - 1989

+

- Linda D. Bernard: October 1977 to December 1980
- James T. Barnes, Jr.: October 1979 to December 1982
- Carleton K. Rush: June 1974 to December 1982
- Dr. Warren L. Board: January 1979 to December 1984
- Dr. Timothy I. Dyer: January 1973 to May 1984
- Dolores A Kinzel: January 1977 to December 1984
- Beth Wharton Milford: April 1974 to December 1986
- Geraldine M. Ellington: February 1981 to December 1988

1970 - 1979

+

- Lawrence R. Husse: January 1964 to December 1972
- Virginia R. Allan: January 1964 to April 1974
- Veda S. Anderson: November 1967 to December 1974
- Dr. Charles L Anspach: January 1964 to June 1974
- George E. Stripp: January 1967 to December 1976
- Dr. Mildred Beatty Smith: January 1964 to June 1977
- Edward J. McCormick: January 1964 to December 1978
- Dr. John F. Ullrich: January 1975 to October 1979

1960 - 1969

+

- William Habel: January 1964 to October 1967
- J. Don Lawrence: January 1964 to October 1967
- Dr. Martin P. O'Hara: January 1964 to October 1967

Bylaws

Board of Regents Eastern Michigan University

Preamble

Eastern Michigan University (the "University") is a multipurpose institution founded by the State of Michigan in 1849. It is the second oldest public university in the state. Originally named Michigan State Normal School, it was the first teacher training college west of the Allegheny Mountains. Teacher preparation was the primary purpose of the institution for 100 years, but this purpose was broadly interpreted and included instruction in liberal arts, science and other areas vital to the background of a well-qualified teacher. The name was changed to Michigan State Normal College in 1899 and, in recognition of the development of regional teachers' colleges in the state, to Eastern Michigan College in 1956. With the establishment of the Colleges of Arts and Sciences and Education, as well as a graduate school, Eastern attained university status June 1, 1959. The College of Business was created in 1964, the College of Health and Human Services in 1975, and the College of Technology in 1980, which was renamed the College of Engineering and Technology in 2019.

In all, more than 300 majors, minors and concentrations are delivered through the University's five colleges and graduate school.

ARTICLE VIII, Section 6, of the Michigan Constitution, adopted by the people of the State of Michigan in 1963 to become effective January 1, 1964, granted constitutional autonomy to Eastern Michigan University.

The Board of Regents of Eastern Michigan University (the "Board" or "Board of Regents") reaffirms its obligation to the people of the state of Michigan to provide high quality education to people from all walks of life. It pledges itself to the wisest use and distribution of resources at its disposal to meet this major objective. In keeping with this commitment, Eastern Michigan University will not discriminate against any person because of race, color, sex, marital status, age, religion, national origin or ancestry, Vietnam-era veteran status, non-relevant mental or physical disability, or any other protected status. Further, Eastern Michigan University does not discriminate against any person because of sexual orientation, or gender identity or expression.

The sexual orientation and gender identity or expression provisions of this policy shall not prohibit the University from maintaining relationships with agencies of the federal government, and shall not be applied to conflict with any provisions of the Michigan Constitution. Further, except where approved by separate action of the Board of Regents, the sexual orientation and gender identity or expression provisions of this policy shall not apply to employment benefits, family housing, financial aid packages, or student residency status.

With respect to students, the Board declares its intention to provide the opportunity for each to realize his or her highest potential, to formulate and enforce reasonable rules governing student conduct, and to give due consideration to the opinions of students on matters related directly to their interest when they are expressed in a responsible manner.

With respect to the alumni, the Board invokes their loyal support of the University and invites their advice and counsel, reminding them that the esteem of the University is measured constantly by their performance as educated men and women.

With respect to the people of Michigan, the Board openly acknowledges that this University is, in the final analysis, their University. As a public institution, Eastern Michigan University is obligated to serve the best interests of the people who support it, as it can best determine those interests, and the operation of the University by the Regents is governed by the Michigan Constitution.

Finally, the Board of Regents holds as its special trust the historic mission of a University to create an intellectual climate that will challenge and encourage the vigorous development and courageous expression of the human mind and spirit. Specifically, the Board of Regents recognizes that it has a primary responsibility to assure the University of the financial and other resources necessary to the successful performance of its mission. The Board believes that the best method of assuring that support is to interpret the University faithfully and continually to its fellow citizens, to the legislature and elected state officials, and to the federal government, and thus persuade them of the essential importance of the University's mission. To those tasks of interpretation and persuasion, the Board is committed by its appointment to office, and to those tasks it pledges itself without reservation.

In order to exercise the principles here declared, to achieve the objectives of Eastern Michigan University and to ensure that the conduct of its own officers will be in accord with the highest standards of educational administration, the Board of Regents adopts its bylaws:

Article I

The Corporation

1.01

Eastern Michigan University is an institution of higher education having authority to grant baccalaureate, post-baccalaureate and graduate certifications, and masters, specialist, and doctorate degrees.

1.02

Eastern Michigan University shall be governed by a board of control which shall be a body corporate and shall be known as the Board of Regents.

Article II

The Board of Regents

2.01

The Constitution of the State of Michigan provides that this University shall be governed by a board of control which hereinafter is referred to as the Board of Regents, which shall be a body corporate. The Board has general supervision of the institution and the control and direction of all expenditures from the institutional funds.

2.02

The Constitution of the State of Michigan further provides that the Board, as often as necessary, shall elect a president of the institution under its supervision who shall be the principal executive officer of the institution and who shall be an ex-officio member of the Board without a right to vote.

2.03

The eight-member Board of Regents is appointed by the governor of the state with the advice and consent of the Michigan Senate. Members of the Board of Regents serve without compensation and receive only actual necessary expenses incurred by them in the performance of the duties of their office.

Article III

Meetings of The Board

3.01 Formal Sessions

Formal sessions of the Board shall be open to the public, and reasonable and proper public notice shall be given as to the time and place.

3.01.01

A “formal session” of the Board is defined as one that is convened for the purpose of taking or memorializing final Board action that is binding on the Board.

3.01.02

A majority of the appointed members of the Board of Regents (each member, individually, a “Regent”) shall constitute a quorum to transact business at a formal session, but a smaller number may meet and adjourn to some other time or until a quorum is obtained.

3.01.03

The business at each formal session shall be conducted under general parliamentary rules set forth in Robert's Rules of Order as modified by the rules and regulations of the Board.

3.01.04

Formal sessions may be either regular meetings (as defined in Section 3.03) or special meetings (as defined in Section 3.04).

3.02 Informal Sessions

An “informal session” of the Board is defined as one that is not convened for the purpose of taking or memorializing final Board action that is binding on the Board. Informal sessions include those meetings that are not held in formal session.

3.03 Regular Meetings

Regular meetings shall be formal sessions of the Board.

3.03.01

The Board shall hold regular meetings as it deems necessary, but not less than four (4) times per year. Such regular meetings shall be held on dates and at times as the Board may determine, and ordinarily will be held in Welch Hall at Eastern Michigan University in Ypsilanti, Michigan.

3.03.02

The Board shall consider at its regular meetings items that have been placed on the meeting agenda. The Board may consider additional items of business at its regular meeting only by a majority vote of those Regents present.

3.03.03

The Secretary to the Board of Regents shall be responsible for the preparation of the agenda. The Secretary will be responsible for contacting the President, the Chairpersons of Board Committees and the Chairperson of the Board for items to be placed on the agenda.

3.03.04

Persons wishing to speak before the Board at a regular meeting may do so during the Communications portion of the regular meeting. The Communications portion of the meeting shall be limited to thirty (30) minutes. Persons will be asked to identify themselves as to name, address, and organization they represent, if any.

3.03.05

Persons desiring to address the Board must declare their intent to do so by completing appropriate forms and submitting them to the Vice President and Secretary of the Board at least twenty-four (24) hours prior to the beginning of the Communications portion of the meeting.

3.03.06

The amount of time allotted for each individual to speak shall be no more than three (3) minutes. The number of individuals who may speak shall be limited to the first ten (10) individuals who declare their intent to address the Board pursuant to Bylaw 3.03.05.

3.03.07

In those instances to which more than three persons wish to present their views to the Board and all represent a single organization or unit, the presentation will be limited to three (3) presenters for three (3) minutes each.

3.04 Special Meetings

Special meetings shall be formal sessions of the Board.

3.04.01

Special meetings of the Board may be called by the Chairperson or upon the request of any three Regents in accordance with established rules. Each Regent shall be informed of the special meeting, by messenger or telephone, at least 24 hours before the scheduled meeting time of the special meeting, provided, that any Regent who has previously so notified the Secretary of the Board may elect to be informed of special meetings by email communication, in which case such communication also shall be effective as to such Regent. Only those matters for which the special meeting has been called shall receive consideration unless unanimous consent is granted by the total Board.

3.04.02

A Regent may participate and vote in a special meeting by means of conference telephone or similar communications equipment so long as all persons participating in the meeting can hear each other. Participation in a special meeting pursuant to this provision shall constitute presence at the meeting, for purposes of determining a quorum, provided, however, that more than one-half of the Regents participating in a special meeting must be physically present at the meeting.

3.05 Emergency Actions

Emergency action may be taken by the Board between formal sessions if and when any matter arises that, in the opinion of the Chairperson or any three Regents, requires official action by the Board prior to the next formal session. An affirmative vote, in person or by telephone, facsimile, electronic mail, or other reliable method of communication, from five Regents, is required for action. Any action taken as an emergency action pursuant to this Bylaw 3.05 shall be presented to the Board for confirmation at the next formal session of the Board.

Article IV

Officers and Organization

4.01 Chairperson

The Board shall elect one Regent to serve as Chairperson and presiding officer of the Board. The election shall be held at the last Board meeting before the expiration of the current Chairperson's term. The Chairperson's term shall be for no more than two years and it shall begin the day after the former Chairperson's term expires. The Chairperson shall perform such duties as may be prescribed by law or by the regulations of the Board. As outlined in Section 4.02 of these Bylaws, the Chairperson shall appoint the Vice Chairperson in the event the position of Vice Chairperson becomes vacant prior to the completion of the Vice Chairperson's term. The Chairperson will appoint the Chairs of the standing committees described in Bylaw 5.01.

4.02 Vice Chairperson

The Board shall elect one Regent to serve as Vice-Chairperson. The election shall be held at the last Board meeting before the expiration of the current Vice-Chairperson's term. The Vice-Chairperson's term shall be for no more than two years and it shall begin the day after the former Vice-Chairperson's term expires. The Vice Chairperson

will act as Chairperson in the absence of the Chairperson, and shall become Chairperson for the remainder of the Chairperson's term in the event the position of Chairperson becomes vacant for any reason. In the event the position of Vice Chairperson becomes vacant for any reason during the Vice Chairperson's term of office, the Chairperson shall appoint one Regent to serve as Vice- Chairperson to fill the remainder of the vacated term.

4.03 Vice - President and Secretary

The Board shall appoint a Vice-President and Secretary to the Board who shall be a member of the President's executive team and responsible to the Board and shall serve at the pleasure of the Board. In concert with the President, the Vice-President and Secretary plans, coordinates and facilitates the work of the Board of Regents of Eastern Michigan University to enable it to effectively govern the University and to facilitate effective communication between the members of the Board and the President's executive team.

The Vice-President and Secretary shall keep a public record of all actions of the Board. The Vice-President and Secretary will duly execute for and on behalf of the Regents of Eastern Michigan University or Eastern Michigan University such instruments or documents which would devolve to a corporate officer and would be usual to that office. The Vice-President and Secretary shall be the custodian of the corporate seal and shall cause it to be used at the direction of the Board of Regents. The Vice-President and Secretary shall sign all requisitions for transactions directed by the Board.

The Vice-President and Secretary shall be the Board of Regents' representative for external organizations affiliated with the University.

4.03.01

The Vice-President and Secretary shall perform such other duties as may be required of him or her by the Board and/or the Chairperson of the Board.

4.03.02

The appointment of the Vice-President and Secretary shall be subject to the ineligibility provision set forth in Section 4.07 of this Article.

4.04 Treasurer

The Board shall appoint a Treasurer to the Board who shall be a member of the President's executive team and serve at the pleasure of the Board. The Treasurer is charged with the responsibility for the collection, custody and accounting of all monies due the University. The Treasurer is authorized to sign checks for the expenditure of funds approved by the Board of Regents and to refuse expenditures not authorized by the Board or by budgets approved by the Board.

4.04.01

The Treasurer or his or her designee shall sign all formal applications for grants of funds for research, extension or other University purposes as directed by the Board prior to the President's signature being placed on such documents.

4.04.02

The Treasurer shall prepare an annual financial report at the close of each fiscal year and such other interim reports as the President and Board of Regents may request.

4.04.03

The Treasurer shall perform such other duties as may be required by the President and/or the Board of Regents.

4.04.04

The Board may also appoint an Assistant Treasurer, who shall serve at the pleasure of the Board, to act in the absence of the Treasurer.

4.04.05

The appointment of the Treasurer and of any Assistant Treasurer shall be subject to the ineligibility provision set forth in Section 4.07 of this Article.

4.05 President

The Board shall, as often as necessary, elect a President of the University who shall serve at the pleasure of the Board. He or she shall be an ex-officio member of the Board without a right to vote and shall serve as the University's chief executive officer.

4.05.01

As the chief executive officer of the University, the President shall exercise such powers as are inherent in the position in promoting, supporting, or protecting the interests of the University and in managing and directing all of its affairs. The President shall be responsible for implementing the policies of the Board, and may issue directions and executive orders not in contravention of existing Board policies. The President shall be responsible for all business policies as heretofore enacted or modified or hereafter established subject to the general policies established by the Board. The President shall, in consultation with the Board, develop an annual budget (including, but not limited to, tuition and fees) and projected multiple year budget for the University, that reflects the Board's policies, for approval by the Board. The President shall be responsible for hiring University employees, subject to Board approval. The hiring of members of the President's executive team shall be subject to prior consultation and discussion with the Board's Personnel and Compensation Committee, and interviews of candidates considered for a position in the President's administrative team may include Regents, as directed by the Chairperson of the Board and/or the Personnel and Compensation Committee. The President shall review and sign all requisitions for transactions that have been approved by the Board. The President shall exercise such other powers, duties and responsibilities as are delegated to or required of him or her by the Board.

4.06 Auditor

The Board's Audit Committee shall appoint an Internal Auditor who shall report to the Audit Committee, and who shall receive supervision from the Chairperson of the Audit Committee. The Board's Audit Committee shall also be charged with recommending to the Board the selection of an external auditor, who shall be appointed by the Board, and who shall receive supervision from the Chairperson of the Audit Committee.

4.07 Ineligibility

No Regent shall be eligible to be appointed as Secretary, Treasurer, or Assistant Treasurer of the Board, as provided in MCL 390.552.

Article V

Committees

5.01

The Board may appoint committees and prescribe their duties and functions. There shall be seven standing committees of the Board:

1. Educational Policies Committee
2. Faculty Affairs Committee
3. Finance and Investment Committee
4. Student Affairs Committee
5. Athletic Affairs Committee
6. Personnel and Compensation Committee
7. Audit Committee

5.02

After the Chairperson of the Board begins a new term, the Chairperson of the Board shall appoint Chairpersons and Vice-Chairpersons of the standing committees and any special committees requested by Regents (except as outlined in Section 5 of this Article).

5.03

Special committees may be authorized or appointed by the Chairperson of the Board at his or her discretion.

5.04 Educational Policies Committee

The Educational Policies Committee shall be charged with the duty of reviewing and evaluating all existing educational programs. The Committee shall also review all educational grants, requests for new programs, requests for new majors and minors, requests for new degrees and personnel appointments prior to action by the Board of Regents. Further, the Committee shall be charged with the responsibility of making final

recommendations to the Board on honorary degrees. The Committee shall also perform other duties as assigned by the Board.

5.04.01

The University officer assigned to the Educational Policies Committee shall be the Provost.

5.05 Faculty Affairs Committee

The Faculty Affairs Committee shall be charged with the duty of meeting with representatives of the faculty to discuss general concerns of the faculty and the University, excluding any matters covered by the collective bargaining agreement. The Committee shall share its deliberations with the Board and make appropriate referrals to the other committees when further study on a matter is required. The Committee shall also perform other duties as assigned by the Board.

5.05.01

The University officer assigned to the Faculty Affairs Committee shall be the Provost.

5.06 Finance and Investment Committee

Pursuant to the Michigan Constitution, the Finance and Investment Committee shall work closely with the President and/or his/her executive officers to develop an annual budget for the University that directs and controls the University's funds consistent with the Board's goals, and that establishes annual rates for tuition and fees. The Committee will be charged with oversight and review of the University's borrowing and investment policies, opportunities and strategies, and capital investment criteria. The Committee also shall be charged with the duty of reviewing the financial affairs and the property of the University and reporting its findings thereon to the Board. Further, the Committee shall review all major proposed contracts prior to the contracts being recommended to, or executed by, the Board. The Committee shall perform other duties as assigned by the Board.

5.06.01

The University officer assigned to the Finance and Investment Committee shall be the University's Chief Financial Officer.

5.06.02

The Charter of the Finance and Investment Committee is appended to these Bylaws as Schedule A.

5.07 Student Affairs Committee

The Student Affairs Committee shall be charged with the duty of meeting with student leaders to discuss programs, policies, and general concerns of the students. The Committee shall share its deliberations with the Board and make appropriate referrals to the other Board committees when further study on a matter is required. It shall make appropriate recommendations. The Committee shall also perform other duties as assigned by the Board.

5.07.01

The University officer assigned to the Student Affairs Committee shall be the Provost.

5.08 Athletic Affairs Committee

The Athletic Affairs Committee shall be charged with the duty of meeting regularly with the Athletic Director and representatives of the Athletic Department to review and evaluate all existing athletic programs, policies, advancement initiatives and athletic related community relationships. The Committee shall review and make a recommendation to the Board regarding the Athletic Department's budget prior to presentation of that Budget to the Board, to ensure a high quality academic and athletic experience for student athletes. The Committee shall report its deliberations and findings to the Board and shall make appropriate referrals to other committees when further study on a matter is required. The Chairperson of the Committee shall work closely with the Athletic Director to develop the agenda for Committee meetings. The Committee shall also perform other duties as assigned by the Board.

5.08.01

The University officer assigned to the Athletic Affairs Committee shall be the Athletic Director.

5.09 Personnel and Compensation Committee

The Personnel and Compensation Committee shall be charged with reviewing all policy matters regarding the establishment of goals and objectives, performance assessment and pay structures for the President of the University, the Board Secretary, and Board Treasurer, and will make recommendations to the Board of Regents regarding all such matters.

The Committee will periodically review with the President the procedures and methods used in the evaluation of the members of the President's executive team and will advise the President on the performance and operations of the members of the President's executive team. The President will seek input from the Personnel and Compensation Committee on annual performance evaluations of the President's executive team prior to the evaluations being presented to those individuals. The Committee will review salary studies, market data and other relevant information for the members of the President's executive team on an annual basis. In the event of the hiring or termination of any member of the President's executive team, the President will consult with the Chairperson of the Board and/or the Personnel and Compensation Committee prior to taking any formal action.

The Committee shall also have the authority to review and approve all proposed contracts (including contract renewals or extensions) for temporary or permanent individual employment and proposed contracts for employment consulting for the President's executive team.

At the discretion of the Chairperson of the Board and/or the Committee, the Committee may interview candidates considered for a position in the President's executive team prior to the hiring of such individuals, as outlined in Section 4.05.01 of these Bylaws.

The Committee will also work with the President on succession planning and personnel development issues for the President and the members of the President's executive team.

The Committee shall also perform other duties as assigned by the Board.

5.09.01

The Committee shall be chaired by the Vice Chairperson of the Board. The Committee shall also include two other members: the Chairperson of the Finance and Investment Committee, and one other Regent who shall be appointed by the Chairperson of the Board.

5.09.02

The University officer assigned to the Committee shall be the Vice-President and Secretary to the Board of Regents.

5.10 Audit Committee

An External and Internal Auditor shall be appointed and supervised in accordance with Bylaw Section 4.06. The Audit Committee shall meet with the Internal and External Auditor to discuss his or her operations and to recommend the adoption or revision of such general policies relating thereto as may be found appropriate. The

Committee shall also be charged with oversight of the University's insurance and risk management programs and with oversight and due diligence of the establishment of the University's entrepreneurial activities. The Charter of the Audit Committee is appended to these Bylaws as Exhibit B.

5.10.01

The University Officer assigned to the Audit Committee shall be the University's Chief Financial Officer.

5.11 Resources and Authority

Any of the aforementioned Committees may investigate any matter brought to its attention pertaining to its oversight areas, with full access to all books, systems, records, facilities and personnel of the University. The aforementioned Committees may engage independent counsel and other advisors as it determines necessary to carry out its duties at University expense, subject to approval by the Board.

Article VI

Collective Authority and Action

6.01

The authority of the Board of Regents is conferred upon it as a Board, and the Board can bind the body corporate and the University only by acting as a Board. No individual Regent shall bind the Board or the University to any contractual or other legal obligation without prior approval of the Board. Individual Regents otherwise may take such actions as are expected and consistent with their positions as Regents, or as a member of a Board committee.

Article VII

Amendments

7.01

These bylaws, which include Schedules A and B, may be amended or repealed at any formal session of the Board, by an affirmative vote of a majority of the Regents, provided that copies of the proposed amendments or notices of repeal are submitted in writing to each Regent at least 24 hours in advance of such formal session.

Article VIII

Indemnification

8.01 Duty to Indemnify Regents

Except as expressly set forth in this Article, the Board will defend, hold harmless, and indemnify (collectively hereafter, "indemnify" or "indemnification") a Regent against any threatened, pending, or completed action, suit, or proceeding of any kind or type (including arbitration and alternative dispute resolution proceedings), whether civil, criminal, administrative, or investigative, including relative to any appeal, and wherever brought, if the involvement of the Regent in such action, suit, or proceeding arises:

- a. by virtue of the fact that he or she is or was a Regent, or is or was serving pursuant to the request of the Board as a director, officer, trustee, or similar position of another entity (i.e., corporation, partnership, limited liability company, joint venture, trust, etc.), or
- b. from actions taken in the course of duties as a Regent.

This obligation extends to the payment as incurred of all expenses (including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement) (hereafter, "Expenses").

8.02 Conclusive Presumption of Coverage

Indemnification under this Article shall be conclusively presumed unless a final and non-appealable determination has been made by a court of competent jurisdiction (at the request of the Board or any party to such action, suit, or proceeding) that the Regent:

- a. had no reasonable cause to believe that his or her conduct was in the best interests of the Board or the University, or
- b. failed to satisfy the terms and conditions of this Article, or
- c. with respect to a criminal action, suit, or proceeding, had reasonable cause to believe that his or her conduct was illegal.

The termination of any action, suit, or proceeding by judgment, order, settlement (whether with or without court approval), conviction, or a plea of nolo contendere or its equivalent, shall not create a presumption or be used as evidence that the Regent did not meet the requisite standard of conduct or had any particular belief or that a court has determined that indemnification is not permitted under this Article or by applicable law.

8.03 Reimbursement of Expenses

In the event that a determination is made pursuant to Section 8.02 above that the Regent is not entitled to indemnification under this Article or that indemnification should be revoked or terminated, the Regent shall repay any and all Expenses paid by the Board to or on behalf of the Regent. If a Regent is entitled to indemnification by the Board for a portion of his or her Expenses, but not, however, for the total amount of such Expenses, the Board shall nonetheless indemnify the Regent for that portion of Expenses to which the Regent is entitled to indemnification under this Article.

8.04 Notice and Cooperation By Regent

As a condition to obtaining indemnification under this Article, the Regent must give prompt notice to the Board and the Office of the General Counsel of the pendency of any action, suit, or proceeding for which he or she may seek indemnification, and shall keep the Board and the Office of the General Counsel apprised of all significant developments in the action, suit, or proceeding. A Regent's full cooperation with assigned legal counsel is a condition of continued defense and indemnification under this Article.

8.05 Selection of Legal Counsel

Selection of legal counsel shall be made as follows:

- a. The General Counsel, after consultation with the Board, shall have authority over selection of all legal counsel to represent the individual Regents indemnified under this Section, except in the following cases:
 - i. In any criminal matter, the Regent shall have sole authority over the selection of legal counsel.
 - ii. In the event the named parties to any action, suit, or proceeding include a Regent and the Board or other Regents, and a named Regent has been advised by the General Counsel, or by legal counsel selected under Section 8.05(a) above, that there may be one or more legal defenses/positions available to him or her that conflict or may conflict with those available to one or more other named Regents (or the named Board), the named Regent then shall have the right to select separate legal counsel, and the Board shall then indemnify such named Regent for all Expenses incurred by such named Regent; provided, the Board will not be required to indemnify such named Regent for any settlement of any such action, suit, or proceeding effected without the Board's prior written consent.
- b. A Regent may, at any time at his or her own expense, retain separate legal counsel rather than avail himself or herself of this Article. In such event, the Board will not reimburse Expenses or provide any indemnification under this Article.

In matters where an individual Regent is a named party and the General Counsel has selected legal counsel for the named Regent, such legal counsel will keep the named Regent informed of the status of the action, suit, or proceeding.

8.06 Strategy and Settlement

Except in the case of a criminal matter, the Board shall have sole decision-making authority over all litigation and settlement strategies. In any criminal matter, the Regent involved shall have sole decision-making authority over all litigation and settlement strategies. Once the Board has settled an action, suit, or proceeding, the Board shall not be required to further indemnify a Regent with respect to that action, suit, or proceeding.

8.07 Non-Exclusivity

The indemnification provided in this Article shall not be exclusive of any other rights to which a Regent may be entitled under any statute, bylaw, insurance policy, agreement, or otherwise.

8.08 No Duplication of Recovery

Indemnification will be made under this Article only to the extent that the Regent is not made whole for his or her Expenses from all other sources of indemnification, including insurance maintained by the University. In no case will indemnification under this Article be in an amount which, when combined with the indemnification from all other sources of indemnification, exceeds the actual amount of Expenses incurred by the Regent.

8.09 Actions Brought By Regent

The Board shall not be required to indemnify a Regent in connection with an action, suit, or proceeding brought by such Regent unless such action, suit, or proceeding was authorized by the Board in advance and the Board expressly agrees to such indemnification.

8.10 Actions Brought By Board

The Board shall not commence, and hereby waives any right to commence, any action, suit, or proceeding, for monetary damages, against a current or former Regent, for breach of the Regent's fiduciary duty, or relative to any act or omission of the Regent, except as follows:

- i. Acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- ii. An act or omission that is grossly negligent; or
- iii. A transaction from which the Regent derived an improper personal benefit.

The Board shall not be required to indemnify a Regent in connection with an action, suit, or proceeding brought by or on behalf of the Board against the Regent.

8.11 Enforcement

If a claim for indemnification under this Article is not paid in full by the Board within ninety (90) days after a written claim has been received by the General Counsel, the Regent making the claim may at any time thereafter bring suit against the Board to recover the unpaid amount of the claim, and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim.

8.12 Modifications

The right to indemnification set forth in this Article shall be deemed to be a contract right between the Board and each Regent who serves in such capacity at any time while this Article is in effect, and any repeal or modification of this Article shall not affect any rights or obligations then existing, with respect to any state of facts then or theretofore existing, or any action, suit, or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

8.13 Application

This Article applies to any Regent of the University. The indemnification provided for in this Article continues as to a person who ceases to be a Regent, and the rights and benefits of this Article shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of Regents.

8.14 Severability

Each and every section, term, and provision of this Article shall be considered severable in that, in the event a court finds any section, term, or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining sections, terms, and provisions shall not be affected, and this Article shall be construed in all respects as if the invalid or unenforceable section, term, or provision had been omitted.

8.15 Inquires, Notices and Communication

All inquires, notices, and communications regarding this Article or related to any action, suit, or proceeding for which indemnification is or may be sought pursuant to this Article shall be directed to the Office of the General Council.

Schedule A to Bylaws of Board of Regents of Eastern Michigan University

Regents of Eastern Michigan University Committee Charter

Finance and Investment Committee

Mission Statement

The Finance and Investment Committee provides oversight to the Board of Regents of the financial and investment performance, policies and practices of Eastern Michigan University by ensuring effective management of the University's revenues and expenses, providing uncompromising stewardship for the University's financial and capital resources and by providing business and financial guidance to the many different constituencies at the University.

I. Responsibilities of the Finance and Investment Committee:

a. Finance Responsibilities

- Review and monitor the overall financial health of the University
- Review and ensure that financial policies are current and applicable
- Review University budgets, including strategy, forecast projections, tuition/fees and assumptions for State Appropriations
- Review building and capital needs (including property acquisitions and disposals) and the related debt program, including structure, policy, strategy and future capacity
- Review tax compliance and exposure management
- Review all major contracts prior to their being recommended to the Board for action.
- Review annually the travel and hosting expenses of the President and his/her family.

b. Investment Responsibilities

- Review investment policies, including investment goals, model asset allocation, distribution policies and performance benchmarks, and investment reporting policies and practices, and ensure adherence to such policies.
- Review investment costs, including costs of internal management, fees to outside managers, custodial, reporting and brokerage fees.
- Review performance of investments compared to relevant benchmarks or indices.

II. Composition and Meetings:

The Chairperson of the Board of Regents will appoint the Chairperson of the Finance and Investment Committee. The Chief Financial Officer will act as the staff liaison to the Finance and Investment Committee. All appointments will be at the pleasure of the Board Chairperson. The Finance and Investment Committee may, at its discretion, hire financial expertise from outside the University, subject to approval by the Board.

The Finance and Investment Committee will advise the Board on matters pertaining to its oversight areas and will present periodic reports and recommendations, but will not have the power to bind the Board on any matter. The Finance and Investment Committee may meet as often as necessary, but not less than four times in a calendar year (corresponding with regularly scheduled Board meetings).

Schedule B to Bylaws of Board of Regents of Eastern Michigan University

Regents of Eastern Michigan University Committee Charter Audit Committee

Audit Responsibilities

- Be directly responsible for the appointment, compensation and retention of the University's independent internal auditor, review and approve the annual internal audit plan, evaluate annually the performance of the auditor, and provide the auditor with direct access to the Audit Committee.
- Recommend to the Board the selection of an external auditor, who shall be appointed by the Board, evaluate annually the performance of the auditor, and provide the auditor with direct access to the Audit Committee.
- Review with the administration and the independent auditor the clarity and completeness of the annual audit of the university's financial statements and supplemental information. Review and approve the annual statements and supplemental information.
- Meet with internal and external auditors at least three times per year.

- Review annually the compensation plans, policies and programs (including salary, benefits and perquisite benefits) of the President and other “Key Officers” as determined by the Audit Committee.
- Review annually with the independent auditors the University’s Risk Assessment and Risk Management policies and procedures, financial risk of lost assets, operational risk of ineffective and inefficient operations, compliance risk of violating laws, regulations and University policies and procedures and reputational risk regarding public relations matters are effectively managed. Ensure that the University is properly insured against losses.
- Establish and provide on-going review of the University’s procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, or other matters of questionable fiduciary and stewardship actions. Ensure that confidential, anonymous reporting mechanisms are in place and that all employees, students and other University stakeholders are aware of their existence.
- Review the University’s insurance and risk management programs.
- Oversee due diligence of the establishment of the University’s entrepreneurial activities.
- The aforementioned responsibilities of the Audit Committee may be modified or supplemented as appropriate at any time.

Composition and Meetings

The Chairperson of the Board of Regents will appoint the Chairperson of the Audit Committee. The Chief Financial officer will act as the staff liaison to the Audit Committee. All appointments will be at the pleasure of the Board Chairperson. The Audit Committee may, at its discretion, hire appropriate expertise from outside the University, subject to approval by the Board.

The Audit Committee will advise the Board on matters pertaining to its oversight areas and will present periodic reports and recommendations, but will not have the power to bind the Board on any matter. The Audit Committee may meet as often as necessary, but not less than four times in a calendar year (corresponding with regularly scheduled Board meetings).

Adoption of Chapter

The Board of Regents has adopted this Charter on March 21, 2006, and amended this Chapter on June 23, 2009 and April 16, 2013.

Authority for Creation and Revision:

Minutes of the Board of Regents, September 17, 1975; para. .1570M
 Minutes of the Board of Regents, May 22, 1985; para. .3103M
 Minutes of the Board of Regents, May 19, 1992; para. .4557M
 Minutes of the Board of Regents, September 22, 1992; para. .4604M
 Minutes of the Board of Regents, January 26, 1993; para. .4656M
 Minutes of the Board of Regents, January 23, 1996; para. .5072M
 Minutes of the Board of Regents, June 20, 2000; para. .5689M
 Minutes of the Board of Regents, March 18, 2003; para. .6099M
 Minutes of the Board of Regents, March 16, 2004; para. .6251M
 Minutes of the Board of Regents, March 15, 2005; para. .6422M
 Minutes of the Board of Regents, June 21, 2005; para. .6465M
 Minutes of the Board of Regents, August 2, 2005; para. .6472M
 Minutes of the Board of Regents, March 21, 2006; para. .6601M
 Minutes of the Board of Regents, June 19, 2007; para. .6723M
 Minutes of the Board of Regents, June 23, 2009
 Minutes of the Board of Regents, September 21, 2010
 Minutes of the Board of Regents, September 18, 2012
 Minutes of the Board of Regents, December 6, 2012
 Minutes of the Board of Regents, April 16, 2013
 Minutes of the Board of Regents, March 25, 2014
 Minutes of the Board of Regents, January 30, 2015
 Minutes of the Board of Regents, December 15, 2017

Last Review Date: December 2017



Policies, Rules and Regulations

Chapter Name: Operations And Facilities

Chapter No. 11.1.2

Issue: Investments

Effective Date: 1-10-66

Revision Date: 10-257-194

Purpose

Eastern Michigan University's investment objective shall be to preserve investment principal while deriving a reasonable return consistent with the prevailing market and economic conditions. Investment decisions shall be based on specific guidelines which incorporate quality, safety, diversity and liquidity of funds.

Scope

The short-term investment pool guidelines are intended to cover the investment of university funds that are required for daily liquidity and ~~normal operating needs expenditures of one year or less~~. The intermediate-term investment pool guidelines are intended to cover funds that are earmarked for use in the next one to three years. The remaining portion of the portfolio determined to be in excess of operational need and not expected to be needed as working capital funds may be designated long-term in nature and allocated to the long term investment pool.

General Objectives

- The primary investment objective for the short-term investment pool accounts will be to provide for preservation of capital with a secondary emphasis upon maximization of investment income with prudent exposure to risk. Funds needed for expenditures in less than one year will be considered short-term.
- The primary investment objectives for the intermediate-term investment pool accounts will be preservation of capital and maximization of income with prudent exposure to risk within the parameters specified in this investment policy statement. Funds needed for expenditures within one to three years will be considered intermediate-term.
- The primary investment objectives for the long-term investment pool accounts will be to provide for long-term growth of principal and income with prudent exposure to risk. Funds not needed for expenditures within three years will be considered long-term.
- Due to the inevitability of short-term market fluctuations that may cause variations in the investment performance, it is intended that the performance objectives will be achieved over a rolling five-year period net of investment management fees and transaction costs. Nevertheless, the University reserves the right to evaluate and make any necessary changes regarding the investment managers/funds over a shorter-term using the criteria established in the "Evaluation of Investment Managers" section of this statement.

Asset Allocation

Short-Term Investment Pool

The short-term investment pool shall be managed by one or more short-term investment managers, each maintaining a portfolio with an average weighted maturity between one day and one year.

Intermediate -Term Investment Pool

The intermediate-term investment pool shall be managed by one or more investment managers with the goal of preserving capital and liquidity while providing a moderate return.

Long-Term Investment Pool

The overall long-term investment pool targets and permissible ranges for asset classes are detailed in Appendix A. It is anticipated that the long-term investment pool will invest primarily in "commingled funds" (mutual funds, limited partnerships, limited liability companies, etc.), rather than separately managed accounts, in recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, separately managed investment account and the lower costs which can be associated with these funds). The Investment Committee recognizes that they will not be permitted to give specific policy directives to a fund whose policies are already established; therefore, the Investment Committee is relying on the Investment Advisor to assess and monitor the investment policies of such funds to ascertain whether they are appropriate.

In some instances (likely long-only equity or fixed income mandates), a separately managed account may be deemed the optimal vehicle for the long-term investment pool. In those cases, the individual manager guidelines are specified in each approved investment manager agreement (IMA) and will be evaluated and negotiated by the Investment Advisor.

The Investment Committee also realizes that certain types of derivatives are commonplace and acceptable investment securities for various types of strategies. Some of the investment managers will use derivatives to hedge, gain market exposure, gain/reduce currency exposure, etc. The Investment Advisor will evaluate each manager's derivatives policy and determine if it is acceptable before making a recommendation.

Re-balancing Asset Allocation

The University representatives will monitor the asset allocation structure of the long-term investment pool and will attempt to stay within the ranges allowed for each asset class. If an asset class falls outside the permissible range for that asset class, the University representatives will develop a plan of action, either for immediate re-balancing of the portfolio or a re-balancing that will occur over the subsequent few months.

Performance Objectives

1. Market Benchmark
 - a. The total return for the short-term investment pool and for each short-term investment manager shall exceed the rate of return on 3-month U.S. Treasury Bills.
 - b. The total return for the intermediate-term investment pool shall exceed the Merrill Lynch 1-3 Year Government Bond Index. Each investment manager is expected to outperform their designated benchmark index.
 - c. The total return for the long-term investment pool shall exceed the designated Policy Index.
 - i. Policy Index: Calculated by taking the target asset class weights times the return of the respective passive benchmark (calculated monthly). This measures the effectiveness of fund asset allocation structure.
2. Peer Group Ranking
 - a. The total return for each intermediate-term investment manager shall rank in the top half of the appropriate universe.
 - b. The total return for each long-term investment manager shall rank in the top half of the appropriate universe (Domestic Equity, International Equity, and Core Fixed Income, etc.).

Evaluation of Investment Managers

The investment managers will be reviewed on an ongoing basis and evaluated based upon the following additional criteria:

1. Ability to exceed the performance objectives stated in this Investment Policy Statement.
2. Adherence to the philosophy and style which were articulated to the University at, or subsequent to, the time the investment manager was retained.
3. Continuity of personnel and practices at the firm.

Each investment manager shall immediately notify the University representatives and the Investment Advisor in writing of any material changes in its investment outlook, strategy, portfolio structure, ownership, or senior personnel.

Investment Manager Requirements

1. In today's rapidly changing and complex financial world, no list or types of categories of investments can provide continuously adequate guidance for achieving the investment objectives. Any such list is likely to be too inflexible to be suitable of the market environment in which investment decisions must be made. Therefore, it is the process by which investment strategies and decisions are developed, analyzed, adopted, implemented and monitored, and the overall manner in which investment risk is managed, which determines whether an appropriate standard of reasonableness, care and prudence has been met for these investments.
2. Although there are no strict guidelines that will be utilized in selecting investment managers, the Investment Committee~~University~~ will consider the length of time the firm has been in existence, its track record, assets under management, investment philosophy, overall "fit" within the existing investment portfolio, and the amount of assets the University ~~has~~ already ~~has~~ invested ~~within~~ the firm.
3. The requirements stated below apply to investments in non-mutual and non-pooled funds, where the investment manager is able to construct a separate, discretionary account on behalf of the University. Although the University cannot dictate policy to pooled/mutual fund investment managers, the University's intent is to select and retain only pooled/mutual funds with policies that are similar to this policy statement. All managers (pooled/mutual and separate); however, are expected to achieve the performance objectives.
 - a. Each investment manager must satisfy the performance objectives and asset allocation guidelines.
 - b. Each investment manager shall have full investment discretion with regard to market timing and security selection, consistent with this Investment Policy Statement.
 - c. The investment managers shall be evaluated on a quarterly basis and should be prepared to meet with the ~~Investment Committee~~University at least annually.
 - d. Short-term investment managers must invest at least 50% of the portfolio in U.S. Government Securities and/or U.S. Government Agency issues.
 - e. No more than 10% of the portfolio, at cost, can be invested in any single issue, except the investments in U.S. Government Securities.
 - The weighted average credit quality is to be no less than "AAA" (or its equivalent rating by two national rating agencies) for the short-term investment pool accounts.
 - f. Portfolio holdings will be sufficiently liquid to ensure that 10% of the portfolio can be sold on a day's notice with no material impact on market value.
 - g. Commercial paper must be, at the time of purchase, rated within the highest classification established by not less than two national rating services.
 - h. The average weighted maturity for each short-term investment manager shall be between one day and one year.
 - i. Bank Certificates of Deposit and Bankers' Acceptances are to be rated within the top two rating classifications by any one national rating service. Foreign bank issues are capped at 10% of the total investment in this category.
 - j. There shall be no investments in non-marketable securities.
 - k. Each equity and fixed income investment manager must assure that no position of any ~~CRC~~ issuer shall exceed 10% of the manager's portfolio at market value, with the exception of securities issued by the U.S. government and its agencies.
 - l. The investment managers shall handle the voting of proxies and tendering of shares in a manner that is in the best interest of the University and consistent with the investment objectives contained herein.
 - m. The equity and fixed income investment managers shall not effect a purchase, which would cause a position in the portfolio to exceed 5% of the issue outstanding at market value.
 - The University must explicitly authorize the use of derivative instruments, and shall consider certain criteria including, but not limited to, the following:
 - i. Manager's proven expertise in such category,
 - ii. Value added by engaging in derivatives,
 - iii. Liquidity of instruments,
 - iv. Active~~ch~~ity traded by major exchanges (or for over-the-counter positions, executed with major dealers), and
 - v. Managers' internal procedures to evaluate derivatives, such as scenario and volatility analysis and duration constraints.

Consultant's Responsibilities

The Investment Consultant is responsible for assisting the University in all aspects of managing and overseeing the investment portfolio. The consultant is the primary source of investment education and investment manager information. On an ongoing basis the consultant will:

- Provide the University with quarterly performance reports within 45 days following the end of the quarter;
- Meet with the University at least quarterly, or more frequently as needed;
- Provide the University with an annual review of this Investment Policy Statement, including an assessment of the University's current asset allocation and investment objectives; and
- Supply the ~~Investment Committee~~University with other reports or information as reasonably requested.

Appendix A

Eastern Michigan University Board of Regents
ASSET ALLOCATION POLICY

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Investment Committee has adopted the asset allocation policy outlined below.

Because asset classes do not move in concert, investment experience will cause the asset allocations to move away from targets. The asset allocation table listed in Appendix A reflects minimum and maximum ranges that are designed to take into account risk, returns, correlation of asset classes, and transaction costs of rebalancing.

Asset-Class

Target % and Permissible Range %

Target Benchmark

Equity

35%
20-50%

Domestic All Cap Equities

10%
5%-20%

Russell 3000 Index

International Equities

5%
0%-10%

MSCI EAFE Small Cap

Emerging International Equities

5%
0%-8%

MSCI-EM

Global Equity

15%
10%-20%

MSCI ACWI-ND

Fixed Income

25%
20%-50%

Core Fixed Income

5%
0%—10%

Barclays Aggregate

Absolute Return Fixed Income

10%
5%—15%

Barclays Aggregate

Emerging Market Debt

5%
0%—8%

50% JPM EMBI Global Div. / 25% JPM GBI-EM Global Div. / 25% JPM EMLI+

Global Multi-Sector Fixed Income

5%
0%—10%

Barclays Multiverse Index

Global Asset Allocation / Risk Parity

20%
10%—30%

60% MSCI World / 40% Citi WGBI

Alternatives

20%
5%—25%

Hedge Funds

10%
0%—20%

HFRI Fund of Funds Composite Index

Real Assets

10%
5%—15%

[1] Custom Benchmark

<u>ASSET CLASS</u>	<u>PERMISSIBLE RANGE %</u>	<u>TARGET BENCHMARK</u>
<u>Equity</u>	<u>20%-60%</u>	<u>MSCI ACWI Index</u>
<u>Domestic All Cap Equities</u>	<u>5% - 40%</u>	
<u>International Equities</u>	<u>0% - 30%</u>	
<u>Emerging International Equities</u>	<u>0% - 8%</u>	

<u>Global Equity</u>	<u>10% - 30%</u>	
<u>Fixed Income</u>	<u>20% - 60%</u>	<u>Custom Benchmark ⁽¹⁾</u>
<u>Core Fixed Income</u>	<u>0% - 60%</u>	
<u>Absolute Return Fixed Income</u>	<u>0% - 15%</u>	
<u>Emerging Market Debt</u>	<u>0% - 8%</u>	<u>Manager Specific</u>
<u>Global Multi-Sector Fixed Income</u>	<u>0% - 10%</u>	
<u>Treasury Inflation Protected Securities (TIPS)</u>	<u>0-15%</u>	
<u>Global Asset Allocation / Risk Parity</u>	<u>0% - 30%</u>	<u>60% MSCI World / 40% Citi WGBI</u>
<u>Alternatives</u>	<u>0% - 25%</u>	
<u>Hedge Funds</u>	<u>0% - 20%</u>	<u>HFRI Fund of Funds Composite Index</u>
<u>Real Assets</u>	<u>0% - 15%</u>	<u>Custom Benchmark ⁽²⁾</u>

At each quarterly Investment Committee meeting, NEPC will present a look-through asset allocation. This look-through will break out the underlying exposures of the Multi-Asset Class managers based on their most recent exposure reports. Based on this analysis, if the underlying Equity exposure is greater than 60% of the total Portfolio, the Investment Committee and the NEPC will have a discussion to determine if this exposure is appropriate.

*Non-Core Bonds represents fixed income managers that are NOT bench-marked to the Barclay's Capital Aggregate Index. Depending on the non-core bond manager's specific mandate, investable asset classes may include: high yield corporate, developed global, and emerging market bonds.

**Each Multi-Asset Class manager will also have specific manager benchmarks

[1] Custom benchmark based on the underlying manager benchmarks and weights.

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[2] Currently 40% BC Aggregate / 30% TIPS / 10% S&P 500 / 10% High Yield / 10 % JPM EMBI+

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Authority for Creation and Revision:

Minutes of the Board of Regents, January 10, 1966; para. .334M.

Minutes of the Board of Regents, March 15, 1972; para. .1086M and .1087M.

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Minutes of the Board of Regents, September 15, 1998; para. .5412M.

Minutes of the Board of Regents, March 20, 2007; para. .6709M.

Minutes of the Board of Regents, September 22, 2009

Minutes of the Board of Regents, October 7, 2014



Policies, Rules and Regulations

Chapter Name:	Operations And Facilities
Chapter No.	11.1.2
Issue:	Investments
Effective Date:	1-10-66
Revision Date:	10-25-19

Purpose

Eastern Michigan University's investment objective shall be to preserve investment principal while deriving a reasonable return consistent with the prevailing market and economic conditions. Investment decisions shall be based on specific guidelines which incorporate quality, safety, diversity and liquidity of funds.

Scope

The short-term investment pool guidelines are intended to cover the investment of university funds that are required for daily liquidity and expenditures of one year or less. The intermediate-term investment pool guidelines are intended to cover funds that are earmarked for use in the next one to three years. The remaining portion of the portfolio determined to be in excess of operational need and not expected to be needed as working capital funds may be designated long-term in nature and allocated to the long term investment pool.

General Objectives

- The primary investment objective for the short-term investment pool accounts will be to provide for preservation of capital with a secondary emphasis upon maximization of investment income with prudent exposure to risk. Funds needed for expenditures in less than one year will be considered short-term.
- The primary investment objectives for the intermediate-term investment pool accounts will be preservation of capital and maximization of income with prudent exposure to risk within the parameters specified in this investment policy statement. Funds needed for expenditures within one to three years will be considered intermediate-term.
- The primary investment objectives for the long-term investment pool accounts will be to provide for long-term growth of principal and income with prudent exposure to risk. Funds not needed for expenditures within three years will be considered long-term.
- Due to the inevitability of short-term market fluctuations that may cause variations in the investment performance, it is intended that the performance objectives will be achieved over a rolling five-year period net of investment management fees and transaction costs. Nevertheless, the University reserves the right to evaluate and make any necessary changes regarding the investment managers/funds over a shorter-term using the criteria established in the "Evaluation of Investment Managers" section of this statement.

Asset Allocation

Short-Term Investment Pool

The short-term investment pool shall be managed by one or more short-term investment managers, each maintaining a portfolio with an average weighted maturity between one day and one year.

Intermediate -Term Investment Pool

The intermediate-term investment pool shall be managed by one or more investment managers with the goal of preserving capital and liquidity while providing a moderate return.

Long-Term Investment Pool

The overall long-term investment pool targets and permissible ranges for asset classes are detailed in Appendix A. It is anticipated that the long-term investment pool will invest primarily in "commingled funds" (mutual funds, limited partnerships, limited liability companies, etc.), rather than separately managed accounts, in recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, separately managed investment account and the lower costs which can be associated with these funds). The Investment Committee recognize that they will not be permitted to give specific policy directives to a fund whose policies are already established; therefore, the Investment Committee are relying on the Investment Advisor to assess and monitor the investment policies of such funds to ascertain whether they are appropriate.

In some instances (likely long-only equity or fixed income mandates), a separately managed account may be deemed the optimal vehicle for the long-term investment pool. In those cases, the individual manager guidelines are specified in each approved investment manager agreement (IMA) and will be evaluated and negotiated by the Investment Advisor.

The Investment Committee also realizes that certain types of derivatives are commonplace and acceptable investment securities for various types of strategies. Some of the investment managers will use derivatives to hedge, gain market exposure, gain/reduce currency exposure, etc. The Investment Advisor will evaluate each manager's derivatives policy and determine if it is acceptable before making a recommendation.

Rebalancing Asset Allocation

The University representatives will monitor the asset allocation structure of the long-term investment pool and will attempt to stay within the ranges allowed for each asset class. If an asset class falls outside the permissible range for that asset class, the University representatives will develop a plan of action, either for immediate rebalancing of the portfolio or a rebalancing that will occur over the subsequent few months.

Performance Objectives

1. Market Benchmark

- a. The total return for the short-term investment pool and for each short-term investment manager shall exceed the rate of return on 3-month U.S. Treasury Bills.
- b. The total return for the intermediate-term investment pool shall exceed the Merrill Lynch 1-3 Year Government Bond Index. Each investment manager is expected to outperform their designated benchmark index.
- c. The total return for the long-term investment pool shall exceed the designated Policy Index.
 - i. Policy Index: Calculated by taking the target asset class weights times the return of the respective passive benchmark (calculated monthly). This measures the effectiveness of fund asset allocation structure.

2. Peer Group Ranking

- a. The total return for each intermediate-term investment manager shall rank in the top half of the appropriate universe.
- b. The total return for each long-term investment manager shall rank in the top half of the appropriate universe (Domestic Equity, International Equity, Core Fixed Income, etc.).

Evaluation of Investment Managers

The investment managers will be reviewed on an ongoing basis and evaluated based upon the following additional criteria:

1. Ability to exceed the performance objectives stated in this Investment Policy Statement.
2. Adherence to the philosophy and style which were articulated to the University at, or subsequent to, the time the investment manager was retained.
3. Continuity of personnel and practices at the firm.

Each investment manager shall immediately notify the University representatives and the Investment Advisor in writing of any material changes in its investment outlook, strategy, portfolio structure, ownership, or senior personnel.

Investment Manager Requirements

1. In today's rapidly changing and complex financial world, no list or types of categories of investments can provide continuously adequate guidance for achieving the investment objectives. Any such list is likely to be too inflexible to be suitable of the market environment in which investment decisions must be made. Therefore, it is the process by which investment strategies and decisions are developed, analyzed, adopted, implemented and monitored, and the overall manner in which investment risk is managed, which determines whether an appropriate standard of reasonableness, care and prudence has been met for these investments.
2. Although there are no strict guidelines that will be utilized in selecting investment managers, the Investment Committee will consider the length of time the firm has been in existence, its track record, assets under management, investment philosophy, overall "fit" within the existing investment portfolio, and the amount of assets the University already has invested with the firm.
3. The requirements stated below apply to investments in non-mutual and non-pooled funds, where the investment manager is able to construct a separate, discretionary account on behalf of the University. Although the University cannot dictate policy to pooled/mutual fund investment managers, the University's intent is to select and retain only pooled/mutual funds with policies that are similar to this policy statement. All managers (pooled/mutual and separate); however, are expected to achieve the performance objectives.
 - a. Each investment manager must satisfy the performance objectives and asset allocation guidelines.
 - b. Each investment manager shall have full investment discretion with regard to market timing and security selection, consistent with this Investment Policy Statement.
 - c. The investment managers shall be evaluated on a quarterly basis and should be prepared to meet with the Investment Committee at least annually.
 - d. Short-term investment managers must invest at least 50% of the portfolio in U.S. Government Securities and/or U.S. Government Agency issues.
 - e. No more than 10% of the portfolio, at cost, can be invested in any single issue, except the investments in U.S. Government Securities.
 - The weighted average credit quality is to be no less than "AAA" (or its equivalent rating by two national rating agencies) for the short-term investment pool accounts.
 - f. Portfolio holdings will be sufficiently liquid to ensure that 10% of the portfolio can be sold on a day's notice with no material impact on market value.
 - g. Commercial paper must be, at the time of purchase, rated within the highest classification established by not less than two national rating services.
 - h. The average weighted maturity for each short-term investment manager shall be between one day and one year.
 - i. Bank Certificates of Deposit and Bankers' Acceptances are to be rated within the top two rating classifications by any one national rating service. Foreign bank issues are capped at 10% of the total investment in this category.
 - j. There shall be no investments in non-marketable securities.
 - k. Each equity and fixed income investment manager must assure that no position of any one issuer shall exceed 10% of the manager's portfolio at market value, with the exception of securities issued by the U.S. government and its agencies.
 - l. The investment managers shall handle the voting of proxies and tendering of shares in a manner that is in the best interest of the University and consistent with the investment objectives contained herein.
 - m. The equity and fixed income investment managers shall not effect a purchase, which would cause a position in the portfolio to exceed 5% of the issue outstanding at market value.
 - The University must explicitly authorize the use of derivative instruments, and shall consider certain criteria including, but not limited to, the following:
 - i. Manager's proven expertise in such category,
 - ii. Value added by engaging in derivatives,
 - iii. Liquidity of instruments,
 - iv. Actively traded by major exchanges (or for over-the-counter positions, executed with major dealers), and
 - v. Managers' internal procedures to evaluate derivatives, such as scenario and volatility analysis and duration constraints.

Consultant's Responsibilities

The Investment Consultant is responsible for assisting the University in all aspects of managing and overseeing the investment portfolio. The consultant is the primary source of investment education and investment manager information. On an ongoing basis the consultant will:

- Provide the University with quarterly performance reports within 45 days following the end of the quarter;
- Meet with the University at least quarterly, or more frequently as needed;
- Provide the University with an annual review of this Investment Policy Statement, including an assessment of the University's current asset allocation and investment objectives; and
- Supply the Investment Committee with other reports or information as reasonably requested.

Appendix A

Eastern Michigan University Board of Regents

ASSET ALLOCATION POLICY

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Investment Committee has adopted the asset allocation policy outlined below.

Because asset classes do not move in concert, investment experience will cause the asset allocations to move away from targets. The asset allocation table listed in Appendix A reflects minimum and maximum ranges that are designed to take into account risk, returns, correlation of asset classes, and transaction costs of rebalancing.

<u>ASSET CLASS</u>	<u>PERMISSIBLE RANGE %</u>	<u>TARGET BENCHMARK</u>
Equity	20%-60%	MSCI ACWI Index
Domestic All Cap Equities	5% - 40%	
International Equities	0% - 30%	
Emerging International Equities	0% - 8%	
Global Equity	10% - 30%	
Fixed Income	20% - 60%	Custom Benchmark ⁽¹⁾
Core Fixed Income	0% - 60%	
Absolute Return Fixed Income	0% - 15%	
Emerging Market Debt	0% - 8%	Manager Specific
Global Multi-Sector Fixed Income	0% - 10%	
Treasury Inflation Protected Securities (TIPS)	0-15%	
Global Asset Allocation / Risk Parity	0% - 30%	60% MSCI World / 40% Citi WGBI
Alternatives	0% - 25%	

Hedge Funds	0% - 20%	HFRI Fund of Funds Composite Index
Real Assets	0% - 15%	Custom Benchmark⁽²⁾

At each quarterly Investment Committee meeting, NEPC will present a look-through asset allocation. This look-through will break out the underlying exposures of the Multi-Asset Class managers based on their most recent exposure reports. Based on this analysis, if the underlying Equity exposure is greater than 60% of the total Portfolio, the Investment Committee and the NEPC will have a discussion to determine if this exposure is appropriate.

*Non-Core Bonds represents fixed income managers that are NOT bench-marked to the Barclay's Capital Aggregate Index. Depending on the non-core bond manager's specific mandate, investable asset classes may include: high yield corporate, developed global, and emerging market bonds.

**Each Multi-Asset Class manager will also have specific manager benchmarks

[1] Custom benchmark based on the underlying manager benchmarks and weights.

[2] Currently 40% BC Aggregate / 30% TIPS / 10% S&P 500 / 10% High Yield / 10 % JPM EMBI+

Authority for Creation and Revision:

Minutes of the Board of Regents, January 10, 1966; para. .334M.

Minutes of the Board of Regents, March 15, 1972; para. .1086M and .1087M.

Minutes of the Board of Regents, May 17, 1978; para. .1941M.

Minutes of the Board of Regents, May 25, 1993; para. .4698M.

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Minutes of the Board of Regents, March 20, 2007; para. .6709M.

Minutes of the Board of Regents, September 22, 2009

Minutes of the Board of Regents, October 7, 2014



Policies, Rules and Regulations

Chapter Name: Operations And Facilities
Chapter No. 11.1.4
Issue: Reserves
Effective Date: 2-21-73
Revision Date: ~~10-25-1912-2-03~~

University Policy Statement

Eastern Michigan University will maintain financial reserves, properly recorded in its general ledger system, adequate enough to protect the University's interests in accordance with generally accepted accounting principles.

University Practice

Throughout the year, and at fiscal year-end in tandem with the University's external auditors, general ledger reserve balances will be reviewed and evaluated against both reported liabilities and incurred but not reported liabilities. Funding of these liabilities will be budgeted annually and adjusted as needed.

Reserves include, but are not limited to, self-insured coverages such as employee health benefits, general liability, property loss, errors and omissions, unemployment compensation, workers' compensation, sick and vacation leave accruals and other potential liabilities.

Responsibility for Implementation

The [Chief Financial Officer](#)~~Vice President for Business and Finance~~, or his/her designee(s), has overall responsibility for implementation and administration of this policy and for adopting, amending and/or revising related administrative policies and procedures.

Scope of Policy Coverage

This policy applies to all Eastern Michigan University financial reserves.

Authority for Creation and Revision:

Minutes of the Board of Regents, February 21, 1973; para. .1194M.
Minutes of the Board of Regents, June 22, 1977; response to Audit of Construction.
Minutes of the Board of Regents, December 2, 2003; para. .6201M.



Policies, Rules and Regulations

Chapter Name:	Operations And Facilities
Chapter No.	11.1.4
Issue:	Reserves
Effective Date:	2-21-73
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Policies, Rules and Regulations

Chapter Name: Operations And Facilities
Chapter No. 11.1.5
Issue: Selection Of External Auditors
Effective Date: 11-15-78
Revision Date: ~~3-16-04~~ 10-25-19

University Policy Statement

External auditors shall be appointed by the Board of Regents to perform the annual financial audits within the following guidelines:

- The external auditor shall report directly to the Board of Regents.
- The Finance and Audit Committee shall be directly responsible for the appointment, compensation and oversight of the external auditor.
- External auditor firms performing audit services are prohibited from performing non-audit services unless expressly approved by the Board of Regents.
- Audit engagement letters must be approved by the Board of Regents.
- The "lead" audit partner must rotate off the audit at a minimum of every seven years with a time-out of two years.
- The external audit firm cannot have employed the CEO, CFO, Controller, Chief Accountant, or any person in any equivalent position, during the one-year period preceding the audit, without prior approval of the Board of Regents.
- The Finance and Audit Committee shall evaluate the performance of the external audit firm annually.
- External audit services will be competitively bid at a minimum of every five years with presentation to the Board of Regents for final external audit firm acceptance.
- Records related to audits should be stored for a minimum of seven years.

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The external audit firm must report to the audit committee:

- All critical accounting policies and practices used by the client that have been discussed with management;
- All alternative treatments of financial information, ramifications of such use, and the treatment preferred by the public accounting firm;
- Other material written communication between the public accounting firm and management, such as the management letter or schedule of unadjusted differences.

University Practice

The policy is based on guidance from the Sarbanes-Oxley Act of 2002 and the National Association of College and University Business Officers (NACUBO) and is to be implemented accordingly.

Responsibility for Implementation

The Chief Financial Officer Vice President for Business and Finance, or his/her designee(s), has overall responsibility for implementation and administration of this policy and for adopting, amending and/or revising related administrative policies and procedures.

Scope of Policy Coverage

This policy applies to the annual audits of Eastern Michigan University.

Authority for Creation and Revision:

Minutes of the Board of Regents, November 15, 1978; para. .2013M.

Minutes of the Board of Regents, January 28, 1981; para. .2345M.

Minutes of the Board of Regents, December 2, 2003; para. .6201M.

Minutes of the Board of Regents, March 16, 2004; para. .6256M.



Policies, Rules and Regulations

Chapter Name: Operations And Facilities
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Policies, Rules and Regulations

Chapter Name:	Operations And Facilities
Chapter No.	11.3.1
Issue:	Purchasing
Effective Date:	7-1-64
Revision Date:	<u>10-25-19</u>1-20-04

University Policy Statement

Eastern Michigan University operates within a centralized purchasing system. Only the Purchasing Department has the authority to obligate the University for the procurement of services, supplies, material and equipment in accordance with University policies and practices. Employees violating this policy may incur personal liability for unauthorized purchases.

University Practice

University practices for implementing this policy include:

1. To procure all non-employee services (including but not limited to consultants and guest speakers), supplies, material and equipment in proper quantities and execute delivery as expeditiously as possible for all University entities.
2. To insure that the correct procedure is followed prior to the Commitment of University resources (e.g., creation of a requisition, approval by Accounting, approval by Purchasing and the creation of a Purchase Order and if necessary, creation of a professional services contract).
3. Maximize savings through judicious and ethical purchase.
4. Ensure effective competition among vendors through the utilization of a competitive bidding process for large purchases as deemed appropriate by the Purchasing Department.
5. The Purchasing Department has the authority to enter into negotiated pricing agreements.
6. University purchase orders, authorized contracts and Procurement Cards are the only approved methods for purchasing goods and services from external suppliers.

Responsibility for Implementation

The Chief Financial Officer~~Vice President for Business & Finance~~, or his/her designee(s), has overall responsibility for implementation and administration of this policy.

Scope of Policy Coverage

The Purchasing policy applies to all University departments.

Authority for Creation and Revision:

Reference Purchasing Procedure, effective July 1, 1964.
Minutes of the Board of Regents, December 6, 1989; para. .4118M.
Minutes of the Board of Regents, January 20, 2004; para. .6222M.



Policies, Rules and Regulations

Chapter Name:	Operations And Facilities
Chapter No.	11.3.1
Issue:	Purchasing
Effective Date:	7-1-64
Revision Date:	10-25-19

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Minutes of the Board of Regents, January 20, 2004; para. .6222M.



Policies, Rules and Regulations

Chapter Name: Operations And Facilities
Chapter No. 11.5.1
Issue: Surplus Property
Effective Date: 6-7-65
Revision Date: 9-25-73 10-25-198

The ~~Chief Financial Officer vice president for business and finance~~ is authorized to use the following procedure in handling surplus property:

1. ~~If a department has no further use of an item, it is declared surplus to that department. The item will then be reviewed by the Purchasing Department which, in its sole discretion, will determine whether it (a) is damaged or aged with no market value or (b) will be added to surplus inventory. The Purchasing Department staff has the sole discretion on deciding whether to add to surplus inventory.~~
2. ~~Damaged or aged items deemed to have no market value may be disposed of immediately by donation to a community organization, recycling, or other means.~~
3. ~~If a department has no further use of an item, it is declared surplus to that department, and will be transferred to another department if there is any need or use for it and the item is deemed to be of further market value, the All other items will be transferred to the Purchasing Department to be added to surplus inventory and posted for internal viewing only on the Purchasing Surplus portal.~~
4. ~~Each department will be able to view available surplus items utilizing the Purchasing Surplus portal. If a department selects a surplus item through the portal, designated Purchasing Department staff will transfer the item as requested.~~
5. ~~If no department or function has use for such an item, it is declared surplus to that department, and will be transferred to another department, if there is any need or use for it and no department has any use for the item after the designated time posted utilizing the Purchasing Surplus portal and the Purchasing Department determines, in its sole discretion, that the item shall be reviewed for has market value.~~
6. ~~If the item has market value, the item will be publicly posted using the Purchasing Surplus portal. Items shall be posted for a designated time frame determined by the Purchasing Department staff.~~
7. ~~Internal staff may bid on publicly posted items during the posting timeframe. Received bids are sealed automatically by the Purchasing Surplus portal and will be reviewed by the designated Purchasing Department staff upon posting closing.~~
8. ~~Public buyers of surplus items shall pay for selected item through the Purchasing Surplus portal by approved means.~~
9. ~~If an item has no public buyer during its public posting timeframe, the item may be disposed of through gifts by donation to a community organization, recycling, or other means.~~
10. ~~If no department or function has use for such an item, the vice president for business and finance, or an authorized representative, may declare it surplus University property and place a value on it for sale.~~
11. ~~If the surplus item has a current market value of \$500 or less, it may be sold to a willing buyer by advertising and/or sealed bids. If there are no willing buyers, the property may be disposed of through gifts or other means.~~
12. ~~Any surplus item with a market value of more than \$500 must be sold through the sealed bid process only.~~
13. ~~If the plan of sale is by sealed bids, a bid by a University employee will be considered only if a minimum of two other bids have been received from sources external to the university, thereby requiring a minimum of three~~

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~~bid~~ for such sales

Authority for Creation and Revision:

Minutes of the Board of Regents, June 7, 1965; para. .244M.

~~Administration, September 25, 1973.~~



Policies, Rules and Regulations

Chapter Name:	Operations And Facilities
Chapter No.	11.5.1
Issue:	Surplus Property
Effective Date:	6-7-65
Revision Date:	10-25-19

The Chief Financial Officer is authorized to use the following procedure in handling surplus property:

1. If a department has no further use of an item it is declared surplus to that department. The item will then be reviewed by the Purchasing Department which, in its sole discretion, will determine whether it (a) is damaged or aged with no market value or (b) will be added to surplus inventory.
2. Damaged or aged items deemed to have no market value may be disposed of immediately by donation to a community organization, recycling, or other means.
3. All other items will be transferred to the Purchasing Department to be added to surplus inventory and posted for internal viewing only on the Purchasing Surplus portal.
4. Each department will be able to view available surplus items utilizing the Purchasing Surplus portal. If a department selects a surplus item through the portal, designated Purchasing Department staff will transfer the item as requested.
5. If no department or function has use for such an item, and the Purchasing Department determines, in its sole discretion, that the item has market value, the item will be publicly posted using the Purchasing Surplus portal. Items shall be posted for a designated time frame determined by the Purchasing Department.
6. Internal staff may bid on publicly posted items during the posting timeframe. Received bids are sealed automatically by the Purchasing Surplus portal and will be reviewed by the designated Purchasing Department staff upon posting closing.
7. Public buyers of surplus items shall pay for selected item through the Purchasing Surplus portal by approved means.
8. If an item has no buyer during its public posting timeframe, the item may be disposed of by donation to a community organization, recycling, or other means.

Authority for Creation and Revision:

Minutes of the Board of Regents, June 7, 1965; para. .244M.



Policies, Rules and Regulations

Chapter Name: Auxiliary Operations
Chapter No. 14.7
Issue: Sale of Commercial Products
Effective Date: 3-18-70
Revision Date: ~~106-125-1904~~

University Policy Statement

Commercial products may be sold only by the University and University-authorized vendors and only at approved sales outlets under the jurisdiction of Eastern Michigan University. Sale or distribution of such products shall be limited to products that are not inconsistent or in conflict with the primary University purposes, aims and policies, rules, and regulations of the University and are not violations of ~~shall not violate~~ any local, state or federal law, provided that there is or is established a substantial demand for such products.

University Practice

Neither the University will not sell or allow to be sold by nor a University-authorized vendors/lessors may sell products which are obscene under the law; or which which may be defamatory to the character of students, faculty, staff or administration; which do not have appropriate licensed University marks; which are in violation of University policies, rules, and regulations, or which may encourage violation of University policies, rules, and regulations; or, when the sale of such products would cause are in violation of the terms and conditions of any existing University contract with an outside vendor.

If an employee of the University or of a University authorized-vendor, who has supervisory authority at the manager of a sales activity outlet, has reason to believe the sale of any product item, either being sold or proposed to be sold, is obscene or contains defamatory material may violate this policy, the employee manager shall will submit inform the item to the appropriate divisional head designee of the University President of the employee's belief and the University President or his/her designee shall for a determination an appropriate course of action.

Only the University President or his/her designee(s) has the authority to authorize S sales outlets, are authorized by the appropriate divisional head.

Responsibility for Implementation

The appropriate divisional head University President or his/her designee(s) has overall responsibility for implementing and administering this policy.

Scope of Policy Coverage

This policy applies to all sales outlets under the jurisdiction of Eastern Michigan University.

Authority for Creation and Revision:

Minutes of the Board of Regents, March 18, 1970; para. .863M.
 Minutes of the Board of Regents, June 15, 2004; para. .6286M



Policies, Rules and Regulations

Chapter Name:	Auxiliary Operations
Chapter No.	14.7
Issue:	Sale of Commercial Products
Effective Date:	3-18-70
Revision Date:	10-25-19

University Policy Statement

Commercial products may be sold only by the University and University-authorized vendors and only at approved sales outlets under the jurisdiction of Eastern Michigan University. Sale or distribution of such products shall be limited to products that are not inconsistent or in conflict with University policies, rules, and regulations and shall not violate any local, state or federal law.

University Practice

Neither the University nor a University-authorized vendor may sell products which are obscene under the law; which are defamatory to the character of students, faculty, staff or administration; which do not have appropriate licensed University marks; which are in violation of University policies, rules, and regulations, or which may encourage violation of University policies, rules, and regulations; or, when the sale of such products would cause a violation of the terms and conditions of any existing University contract.

If an employee of the University or of a University authorized-vendor, who has supervisory authority at a sales outlet, has reason to believe the sale of any product may violate this policy, the employee shall inform the appropriate designee of the University President of the employee's belief and the University President or his/her designee shall determine an appropriate course of action.

Only the University President or his/her designee(s) has the authority to authorize sales outlets.

Responsibility for Implementation

The University President or his/her designee(s) has overall responsibility for implementing and administering this policy.

Scope of Policy Coverage

This policy applies to all sales outlets under the jurisdiction of Eastern Michigan University.

Authority for Creation and Revision:

Minutes of the Board of Regents, March 18, 1970; para. .863M.

Minutes of the Board of Regents, June 15, 2004; para. .6286M