

SECTION 2

POLICIES, PROCEDURES, and REGULATIONS GOVERNING the ESTABLISHMENT and OPERATION of the COMPREHENSIVE COMMUNITY COLLEGES OF VIRGINIA (SB)

This statement of policies, procedures, and regulations shall supersede all previous statements of policies, procedures, and regulations for Virginia Community Colleges.

I. PURPOSE

In accordance with an act of the General Assembly (Title 23, Chapter 16, Sections 23-214 through 23-231), the State Board shall establish, control, administer, and supervise all community colleges established by the state in selected communities throughout the Commonwealth of Virginia. The community college program shall be designed to serve the educational needs of qualified post-high school age youth and adults to prepare them for employment, for advanced collegiate education, and for improved citizenship.

II. DEFINITION of a COMMUNITY COLLEGE

A community college is defined as a comprehensive institution of higher education offering programs of instruction generally extending not more than two years beyond the high school level, which shall include, but not be limited to, courses in occupational/technical fields, the liberal arts and sciences, general education, continuing adult education, pre-college and pre-technical preparatory programs, special training programs to meet the economic needs of the region in which the college is located, and other services to meet the cultural and educational needs of the region.

III. COMMUNITY COLLEGE SERVICE REGIONS

A. Service Regions for Each Community College

The State Board hereby establishes the following service regions for community colleges of the Virginia Community College System.

1. Blue Ridge Community College: The cities of Staunton, Harrisonburg, and Waynesboro, and the counties of Augusta, Highland, and Rockingham.
2. Central Virginia Community College: The cities of Lynchburg and Bedford, and the counties of Amherst, Appomattox, Bedford, and Campbell.

3. Dabney S. Lancaster Community College: The cities of Buena Vista, Clifton Forge, Covington, and Lexington, and the counties of Alleghany, Bath, Botetourt (northern portion), and Rockbridge.
4. Danville Community College: The cities of Danville and South Boston (shared with Southside Virginia Community College), and Halifax (western portion) and Pittsylvania counties.
5. Eastern Shore Community College: The counties of Accomack and Northampton.
6. Germanna Community College: The city of Fredericksburg and the counties of Caroline, Culpeper, King George (shared with Rappahannock Community College), Madison, Orange, Spotsylvania, and Stafford.
7. J. Sargeant Reynolds Community College: The city of Richmond, and the counties of Goochland, Hanover, Henrico, Louisa (shared with Piedmont Virginia Community College), and Powhatan.
8. John Tyler Community College: The cities of Colonial Heights, Hopewell, and Petersburg, and the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Prince George, Surry, and Sussex.
9. Lord Fairfax Community College: The city of Winchester and the counties of Clarke, Fauquier, Frederick, Page, Rappahannock, Shenandoah, and Warren.
10. Mountain Empire Community College: The city of Norton and the counties of Dickenson (western portion), Lee, Scott, and Wise.
11. New River Community College: The city of Radford and the counties of Floyd, Giles, Montgomery, and Pulaski.
12. Northern Virginia Community College: The cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park, and the counties of Arlington, Fairfax, Loudoun, and Prince William.
13. Patrick Henry Community College: The city of Martinsville and the counties of Franklin (southern portion), Henry, and Patrick.

14. Paul D. Camp Community College: The cities of Franklin and Suffolk (south of routes 125 and 337) and the counties of Isle of Wight and Southampton.
15. Piedmont Virginia Community College: The city of Charlottesville and the counties of Albemarle, Buckingham (northern portion), Fluvanna, Greene, Louisa (shared with J. Sargeant Reynolds Community College), and Nelson.
16. Rappahannock Community College: The counties of Essex, Gloucester, King and Queen, King George (shared with Germanna Community College), King William, Lancaster, Mathews, Middlesex, New Kent, Northumberland, Richmond, and Westmoreland.
17. Southside Virginia Community College: The cities of Emporia and South Boston (shared with Danville Community College), and the counties of Brunswick, Buckingham (southern portion), Charlotte, Cumberland, Greensville, Halifax (eastern portion), Lunenburg, Mecklenburg, Nottoway, and Prince Edward.
18. Southwest Virginia Community College: The counties of Buchanan, Dickenson (eastern portion), Russell and Tazewell.
19. Thomas Nelson Community College: The cities of Hampton, Newport News, Poquoson, and Williamsburg, and the counties of James City and York.
20. Tidewater Community College: The cities of Chesapeake, Norfolk, Virginia Beach, Portsmouth, and Suffolk (north of routes 125 and 337).
21. Virginia Highlands Community College: The city of Bristol and the counties of Smyth (western portion) and Washington.
22. Virginia Western Community College: The cities of Roanoke and Salem, and the counties of Botetourt (southern portion), Craig, Franklin (northern portion), and Roanoke.
23. Wytheville Community College: The city of Galax and the counties of Bland, Carroll, Grayson, Smyth (Marion and eastward), and Wythe.

B. Service Region Responsibilities

Each community college shall be responsible for providing community college programs and services, as defined in Section IV, below, for its assigned service region. No community college shall offer courses or services, nor shall it advertise or otherwise solicit student attendance, outside of its assigned service region without the express agreement of the president of the community college(s) serving the affected location(s). The Chancellor shall be advised of all such agreements.

C. Procedures for Changing College Service Area Boundaries

The policy formulated by the State Board for Community Colleges for considering requests for changing service area boundaries establishes two procedures. The first procedure is initiated by the Chancellor upon receipt of a proposal from a community college president. When a change in college service area boundaries is requested by officials of local jurisdictions, a second procedure initiated by the college presidents will apply. Refer to Appendix II to Section 2, Procedures for Changing College Service Area Boundaries.

IV. TYPES of PROGRAMS

Each curriculum in the community college shall conform to the statewide criteria set by the State Board as to content but shall take into consideration the needs and opportunities in the region served by each college. The State Board shall set minimum standards and authorize issuance by institutions of appropriate associate degrees, certificates, and diplomas to individuals who satisfactorily complete the course and program requirements.

To avoid unnecessary duplication in an area where other educational agencies may be offering similar programs, the State Board may enter into a cooperative agreement with an existing agency to provide one or more of the programs listed on the following pages. In determining the curricula to be offered in each institution under the jurisdiction of the State Board, the State Board shall take cognizance of the varying needs of the communities served through the Commonwealth of Virginia and the substantiated requests of interested local governing bodies, employers, and individuals. These programs shall include, but not be limited to, the following:

A. Occupational/Technical Education

The occupational/technical education programs shall be designed to meet the increasing demand for technicians, semiprofessional workers, and skilled craftsmen for employment in industry, business, the professions, and government. These programs, which normally require two years or less of training beyond high school, may include preparation for

agricultural, business, engineering, health and medical, industrial, service, and other technical and occupational fields. The curricula shall be planned primarily to meet the needs for workers in the region being served by the community college, but the State Board may designate certain community colleges as centers to serve larger areas of the state in offering expensive and highly specialized occupational and technical education programs.

B. College Transfer Education

The college transfer programs shall include college freshman and sophomore courses in arts and sciences and preprofessional programs meeting standards acceptable for transfer to baccalaureate degree programs. These programs shall be of equal grade and quality to those provided in the four-year, degree-granting institutions to facilitate the transfer of students from the community college to four-year colleges and universities.

C. General Education

General education is that portion of the collegiate experience which addresses the knowledge, skills, attitudes, and values characteristic of educated persons. It is unbounded by disciplines and honors the connections among bodies of knowledge. The following seven elements embody the essence of general education: communication; critical thinking; cultural and social understanding; information literacy; personal development; quantitative reasoning; and scientific reasoning.

The associate degree programs within the Virginia Community College System support a collegiate experience which focuses on the above definition and attendant elements. Locally developed general education goals covering the seven general education elements shall be included in the catalog of each institution.

D. Continuing Adult Education

Adult education programs shall be offered to enable the adults in the region to continue their learning experiences. This work may include both degree credit and non-degree credit work offered during the day and evening hours.

E. Developmental Programs

Developmental or preparatory programs shall be offered to prepare individuals for admission to the college transfer programs and the occupational/technical programs in the community college. These developmental programs shall be designed to develop the basic skills and understandings necessary to succeed in other community college programs.

F. Specialized Regional and Community Services

The facilities and personnel of each community college shall be available to provide specialized services to help meet the cultural and educational needs of the region served by the community college. This service includes programs not conducted in classrooms such as cultural events, workshops, meetings, lectures, conferences, seminars, and special community projects which are designed to provide needed cultural and educational opportunities for the citizens of the region. The community college shall work cooperatively with other local and State agencies interested in developing such services. The community college facilities shall also be available insofar as possible to four-year colleges and universities desiring to offer extension programs at the level of the third and fourth year of college and of graduate education in the region, subject to the prior approval of the State Council of Higher Education for Virginia (SCHEV).

V. COORDINATION by the STATE COUNCIL of HIGHER EDUCATION for VIRGINIA

The State Board shall encourage close articulation of the community college program with other institutions of higher education and shall adhere to the policies of SCHEV for the coordination of all programs of higher education throughout the Commonwealth of Virginia.

Facilities for extension work may be provided in accordance with Section 23-221 of the Code of Virginia which states. . . "In any area served by a comprehensive community college, no institution of higher learning which conducts extension programs shall offer courses of study similar to those offered by a comprehensive community college, except as authorized by the State Council of Higher Education for Virginia. Whenever practicable, the State Board shall provide facilities to such institutions of higher learning for conducting extension programs not in conflict with the provisions of this chapter."

VI. ELIGIBILITY of STUDENTS

A. General Statement

The community college shall be designed to serve all youth and adults who can benefit from one of its programs.

B. General Admission

Individuals are eligible for admission to the community college if they are high school graduates or the equivalent, or if they are eighteen years of age or older and able to benefit from study at the community college. Dual enrollment students will be admitted according to the provisions in the current Virginia Plan for Dual Enrollment. Other persons not meeting these admissions criteria may apply to the college for special consideration for admittance.

The colleges reserve the right to evaluate and document special cases and to refuse admission to applicants if such refusal is considered to be in the best interest of a college.

C. Admission to Specific Programs

Applicants also may be required to meet other reasonable criteria for admission to any program or course within the community college to ensure that they possess the potential to meet program requirements subject to approval by the State Board. Persons who do not meet the admission requirements for a specific program or course may be permitted to enroll in preparatory studies or advised to enroll in other programs. In addition, persons applying to enter one of the associate degree programs shall be a high school graduate or the equivalent or have completed an approved preparatory program.

D. Full-time and Part-time Students

Persons are eligible to participate in the community college programs on either a full-time or part-time basis.

VII. LENGTH of TERM and ATTENDANCE DAY

A. Semester System

The community colleges shall operate on a semester system on a year-round schedule as established by the State Board. The normal pattern is a fall semester, spring semester and summer term, effective Summer 1988.

B. Short-term Programs

Special programs on a short-term basis may be offered with the approval of the college president.

C. Day and Evening Programs

Instruction for students shall be offered in the community colleges in day and evening programs.

D. Availability of Facilities

Normally, the facilities will be in use for full day and evening programs of the community college for six days per week (Monday through Saturday). Insofar as possible and practicable, the facilities may be available for community use.

VIII. ESTABLISHMENT of COMMUNITY COLLEGES

A. Authority of State Board

The State Board shall have final authority to determine the number, name, and location of colleges approved.

B. Responsibility for Initiating Requests

The responsibility for initiating a request for establishment of a community college rests with the governing body(s) of the political subdivision(s) to be served by such a college.

C. State Plan

All community colleges are established in accordance with a State plan for community colleges.

D. Criteria for Establishment of Community Colleges

Before a community college can be approved by the State Board, a survey under the supervision of the System Office shall be conducted to determine:

1. Evidence of Need as Shown by a Survey

The region to be served by a community college shall show evidence of the need for a community college and a continuing opportunity for placement of a sufficient number of graduates in employment and in four-year colleges and universities to justify the programs. A community must show need of five or more curricula in order to be sufficiently large to warrant administrative cost and adequate counseling. As a general standard, there shall be a minimum population of 100,000 in the region requesting the community college.

2. Evidence of Interest on the Part of Employers

For the program of occupational/technical education to be successful in the long run, employers in the region to be served by the community college should show an active interest in the development of curricula which reflect local needs and show a capacity to employ graduates. Active participation on the part of local leaders is important in gaining acceptance for employment of community college graduates, and in encouraging present employees in the region to use the community college facilities to develop additional skills and to keep abreast of changes in technology affecting their jobs.

3. Evidence of Student Interest

As a general standard, an area served by a community college shall have graduating from its secondary schools 1,000 or more students per year. Evidence shall indicate that from the number of current high school graduates and the number of interested

adults in the area served, those who can be expected to attend the proposed community college shall be sufficient to assure a student body of at least 500 full-time equivalent students at the community college within four years of its establishment.

E. Provisions of a Suitable Site

The governing body(s) of the political subdivision(s) applying for a community college shall provide sufficient land, both for the initial establishment of the college and for future expansion, acceptable to the State Board including all improvements thereon (i.e., roads, exterior lighting, parking lots, landscaping, all utilities to point of connection to buildings, etc.) subject to the policies, procedures, and regulations of the State Board. The State Board may seek the advice of site consultants and shall select the site(s) of the community college in each region from several sites recommended. The guidelines for a site for a community college are as follows:

1. Size of Site

As a general standard, the site shall consist of 100 or more acres (with prior approval of the State Board, a smaller acreage may be acceptable in special circumstances). All sites shall become the property of the Commonwealth of Virginia.

2. Utilities on Site

The site shall have all major utilities made available on the site to point of connection on the buildings.

3. Access to Site

The site shall be located on or sufficiently near major highways so that the residents of the region may have easy access to the community college.

4. Location of Site

Considering both present and potential developments, the site shall be located as close as possible to the center of population of the region being served.

IX. ADMINISTRATIVE RELATIONSHIPS and RESPONSIBILITIES

A. State Board for Community Colleges

The State Board is the State agency responsible for the establishment, control, administration, and supervision of all community colleges

in the Commonwealth of Virginia. The following policies as defined in Sections 23-216 through 23-220 of the Code of Virginia govern the State Board.

1. Membership

The State Board shall consist of fifteen members appointed by the Governor subject to confirmation by the General Assembly in session, and if not, at its next succeeding session. The first appointments shall be four members for one year, four members for two years, four members for three years, and three members for four years, and thereafter all such appointments shall be made for terms of four years each, except that appointments to fill vacancies shall be for the unexpired terms. No person having served on the State Board for two successive four-year terms shall be eligible for reappointment to the State Board for two years thereafter. The State Board shall be composed of persons selected from the state at large. No officer, employee, or member of the governing board of any public institution of higher education, or of any school subject to the control of the State Board, or any member of the General Assembly, or any member of the State Board of Education, shall be eligible for appointment to the Board. All members of the Board shall be deemed members at large charged with the responsibility of serving the best interests of the whole state. No member shall act as the representative of any particular region or of any particular institution of higher education.

2. Procedures

- a. The State Board shall select a chairman from its membership, and under rules adopted by itself may elect one of its members as vice chairman.
- b. The members of the State Board shall receive no salaries. Section 2.1.20.3 of the Code of Virginia provides however, that members of boards, commissions, councils and other similar bodies, who are appointed at the state level, shall be compensated at the rate of fifty dollars per day, unless a different rate of compensation is specified for such members, plus reasonable and necessary expenses, for each day or portion thereof in which the member is engaged in the business of that body. "Business of that body" is defined as "assemblage of as many as three members of the constituent membership at one of the six regularly scheduled two-day meetings of the State Board for Community Colleges, or when authorized by the State Board Chair, additional special meetings exceeding one hour in duration." State Board members shall be reimbursed for expenses related to travel, meals, and hotels for attendance at State Board meetings and transportation to and from college board meetings as State Board liaisons. Approval of the Chairman of the State Board must be

obtained in advance for board members to be reimbursed for reasonable and customary expenses for special meetings and events related to Virginia Community College System business. State Travel Regulations issued by the Office of the State Comptroller shall govern the reimbursement of expenses incurred by State Board members.

- c. Before entering upon the discharge of their duties, members of the State Board shall take an oath that they will faithfully and honestly execute the duties of their office during their continuance therein.
- d. The State Board shall meet at least as often as every other month except when, by a majority vote, the Board shall deem that a meeting is unnecessary, and on call of the Chairman when, in the opinion of the chairman, additional meetings are expedient or necessary.
- e. Seven members of the State Board shall constitute a quorum for all purposes. However, the Board shall not conduct any official business by vote unless at least eight of its members are participating.
- f. The main office of the State Board shall be in the City of Richmond, Virginia.
- g. The State Board is empowered to promulgate necessary rules and regulations for carrying out the purposes of this chapter. The State Board and each community college reserve the right and prerogative at all times to repeal, revise or adopt policy. Unless otherwise stated, policy shall take effect upon adoption and remain in effect until revised or repealed.
- h. The State Board shall organize itself in the designation of its officers and committee assignments at the meeting in May or as soon thereafter as the Board meets.
- i. For purposes of carrying out its duties, members of the State Board may be assigned to the following committees which shall have such powers to make recommendations or to take action on behalf of the full State Board as the full membership of the State Board shall determine from time to time: Executive Committee, Facilities Committee, Academic and Student Affairs Committee, Personnel Committee, and Budget and Finance Committee. The Executive Committee shall have authority to act upon emergency matters as the State Board shall determine.

3. Responsibilities

- a. The State Board is responsible for the preparation and administration of a plan providing standards and policies for

the establishment, development, administration and supervision of comprehensive community colleges under its authority. It shall determine the need for comprehensive community colleges, develop a Statewide plan for their location and a time schedule for their establishment. In the development of such a plan, a principal objective shall be to provide and maintain a system of comprehensive community colleges through which appropriate educational opportunities and programs shall be made available throughout the state. In providing these offerings, the State Board shall recognize the need for excellence in all curricula and shall endeavor to establish and maintain standards appropriate to the various purposes the respective programs are designed to serve.

- b. The State Board is responsible for the control and expenditure of funds appropriated by law, and the establishment of tuition fees and charges. The State Board may exercise the powers conferred by Chapter 3 of Title 23 of the Code of Virginia as any other educational institution as defined in Section 23-214.
- c. The State Board is authorized, with the approval of the Governor, to accept from any government or governmental department or agency or any public or private body or from any other source, grants or contributions of money or property which the Board may use for or in aid of any of its purposes.
- d. The State Board shall have the right to confer diplomas, certificates, and associate degrees.
- e. The State Board shall establish policies providing for the creation of a community college board for each institution established under the Chapter and the procedures and regulations under which such college boards shall operate. The local community college board shall assist in ascertaining educational needs, enlisting community involvement and support, and shall perform such other duties as may be prescribed by the State Board.
- f. The State Board, after official action, has the responsibility to communicate with the Governor, the General Assembly, the Secretary of Education and/or officials of other agencies and higher education organizations about any issues which affect the mission, policies, programs, and funding of the Virginia Community College System.

B. System Office/Chancellor

The Chancellor is the Chief Executive Officer of the Virginia Community College System and Secretary to the State Board for Community Colleges.

The purpose of the Virginia Community College System staff is to assist the Chancellor in the exercise of his/her duties. This is accomplished through three areas of activity.

The first area of activity is providing support for the State Board for Community Colleges. This includes recommending agenda items, preparing agenda materials, making reports, providing support for board committees, and assisting with board communications. It also includes identifying policy needs, preparing policy drafts, preparing contracts, and maintaining State Board and System records.

The second area of activity is coordinating the administration of State Board policies and supporting the twenty-three community colleges as they fulfill the mission of the Virginia Community College System. This includes coordinating System-wide the functional areas of the System and providing services, as needed, for the twenty-three community colleges.

The third area of activity is liaison with external entities, the public, and state and federal governments. The System Office staff attends meetings, presents testimony, and interacts with staff from various public and private agencies. In addition, the staff maintains information about the System, disseminates this information to various external entities, and serves as an advocate for the System.

A Chancellor of Community Colleges, hereinafter called the Chancellor, shall be appointed by the State Board. Any vacancy shall be filled by the State Board. The Chancellor shall be the chief executive officer of the System. The Chancellor shall, without additional compensation, serve as Secretary to the State Board. The salary of the Chancellor shall be fixed by the State Board. Before entering upon the discharge of the duties of the office, the Chancellor shall qualify by taking and subscribing to the oath required of all officers of the state.

1. It shall be the duty of the Chancellor to formulate such rules and regulations, and provide for such assistance in the office as shall be necessary for the proper performance of the duties prescribed by the provisions of this chapter.
2. The State Board shall prescribe the duties of the Chancellor, in addition to those duties otherwise prescribed by law, and, in its discretion, approve the appointment by the Chancellor of such agents and employees as may be needed by the Chancellor and the System Office in the exercise of the functions, duties, and powers conferred and imposed by law and in order to effect a proper organization to carry out their duties.

3. The functions, duties, powers and titles of the agents and employees, their salaries and remunerations, not in excess provided therefore by law, shall be fixed by the Chancellor with the approval of the State Board and subject to the provisions of Chapter 10 (Section 2.1 - 110 et seq.) of Title 2.1 of the Code of Virginia. The Chancellor serves as the approving authority for routine faculty personnel actions.
4. Proper bonds shall be required of all agents and employees who shall handle any funds which may come into custody of the VCCS. The premiums on the bonds shall be paid from funds appropriated by the state for the administration of the provisions of this chapter.
5. The Chancellor shall submit to the Governor and publish an annual report not later than four months after the close of each fiscal year, showing for each year the total amount of money paid or distributed by the VCCS, the total number of persons receiving instruction during such period, and such other information as the Chancellor may deem advisable to show the operations of the System.
6. The Chancellor shall prescribe the forms of applications, reports, affidavits and such other forms as shall be required in the administration of the chapter.
7. Subject to the direction of the State Board, the Chancellor shall cooperate with agencies of the United States in relation to matters set forth in this chapter, and in any reasonable manner that may be necessary for the state to qualify for and to receive grants or aid from such Federal agencies. Nothing in this chapter shall preclude any other agency, board or officer of the state from being designated as the directing or allocating agency, board or officer for the distribution of Federal grants-in-aid or the performance of other duties to the extent necessary to qualify for and to receive grants-in-aid for programs and institutions under the administration of the State Board.
8. The Chancellor is authorized to receive, for and on behalf of the state and its subdivisions, from the United States and agencies thereof, and from any and all other sources, grants-in-aid and gifts, made for the purpose of providing, or to assist in providing, any vocational and technical, or other, education or educational programs authorized by this chapter, including expenses of administration. All such funds shall be paid into the State treasury.

9. The Chancellor shall enforce the standards established by the Board for personnel employed in the administration of this Chapter and remove or cause to be removed each employee who does not meet such standards.

C. State Advisory Committees

State advisory committees for specialized programs and curricula may be utilized in the establishment and evaluation of programs and curricula.

D. Community College Board

1. General Statement

The community college board shall act in an advisory capacity to the State Board and shall perform such duties with respect to the operation of a single comprehensive community college as may be delegated to it by the State Board. The community college board shall be known as the (college name) Community College Board and may be called the college board. In the organization and development of the community college, the community college board shall be appointed as early as possible.

2. Ad Hoc Committee

- a. Appointment of the Ad Hoc Committee

An ad hoc committee consisting of a minimum of three (3) persons shall be appointed by the governing body(s) of the political subdivision(s) sponsoring a community college and shall consist of one member of each governing body(s) of the political subdivision(s) in the region being served by the community college as identified in the Master Plan approved by the State Board. If less than three (3) political subdivisions sponsor a community college, the members of this ad hoc committee shall be appointed as follows:

- i. If two political subdivisions sponsor a community college, the governing body of each subdivision shall appoint two persons to the ad hoc committee.
- ii. If only one political subdivision sponsors a community college, the governing body of the subdivision shall appoint three persons to the ad hoc committee.

b. Duties of the Ad Hoc Committee

The ad hoc committee shall determine the following items for recommendation to the governing bodies of the participating political subdivisions:

- i. The number of members (between nine and fifteen members) on the community college board.
- ii. The allocation of these members among the local political subdivision(s) sponsoring the community college.
- iii. The initial local financial support for the community college and the allocation of these funds among the local political subdivision(s) sponsoring the college.

Implementation of these recommendations shall be contingent upon the approval by the governing bodies of the participating political subdivisions.

3. Appointment of Local College Boards

- a. A minimum of nine persons shall be appointed to the college board and shall include at least one person from each political subdivision sponsoring the college. Generally, the maximum number of persons on the college board shall not exceed fifteen persons.
- b. Each local political subdivision sponsoring the community college shall appoint its board members as allocated by the ad hoc committee within the guidelines of the State Board.
- c. The members of the college board shall be residents of the region to be served by the community college and shall include persons from various businesses, industries, and professions in the region being served by the community college. No elected members of either the General Assembly or of a local governing body shall be eligible to serve on the college board; however, elected town officials shall not be prohibited from serving on a college board so long as such town is not a participating political subdivision sponsoring the college. Additionally, no former full-time employee of the community college shall be eligible to serve on the college board. Local college board members serving as of March 2007 who were former full-time employees of the community college would be eligible to serve out the remainder of their current term and be eligible for one additional consecutive term. All

members of the college board shall be deemed members at large charged with the responsibility of serving the best interests of the whole region being served by the community college.

- d. Members shall be appointed for a term of four (4) years. However, initial appointment of the members shall be as follows:

One-third of the members for four years, one-third of the members for three years, and one-third of the members for two years.

The original appointees shall among themselves determine by lot which are to receive appointment for four years, which are to receive appointment for three years, which are to receive appointment for two years. Thereafter, all appointments shall be for a period of four years and shall become effective on July 1 of the appropriate year.

Initial terms of the original appointees shall become effective on the date of the college board's first meeting and shall expire on July 1 of the appropriate year (even though the first meeting of the college board is held in a month other than July). No person having served on the community college board for two successive four-year terms shall be eligible for reappointment to the college board for two years thereafter provided that a person appointed to fill a vacancy may serve two additional successive terms.

- e. Failure to attend meetings of the college board shall constitute cause for the removal and replacement of a college board member. The community college board shall make this determination, and if it is determined that it is in the best interest of the college to have a replacement, the college board shall notify the appropriate sponsoring political subdivision of the need for a replacement.

4. Reappointments and Vacancies

- a. When the term of office of a college board member expires, the appropriate local political subdivision shall either reappoint the member or appoint a new member. If the member whose term of office has expired is eligible for reappointment, that member shall continue in office until reappointed or a successor named. A member who is not eligible for reappointment shall discontinue service on the college board at the expiration of the term.

- b. Whenever a vacancy occurs on the college board, the appropriate political subdivision shall appoint a person to fill the unexpired term of the member creating the vacancy.

5. Reallocation of College Board Membership

In the event that any local political subdivision wishes to reallocate the positions on a college board because of changing conditions, it shall notify the community college board and the State Board in writing of its desires and reasons for change. The same procedure used to establish the original ad hoc committee shall be instituted to establish an ad hoc committee to determine the number of members on the community college board and the allocation of these members among the local political subdivision(s) sponsoring the college.

6. Distribution of Representation

The college board membership distribution should be representative of the industries, businesses, and professions which are located in the service area of the college. To ensure an appropriate membership distribution representative of the service area, the State Board established the list of employment categories shown in the following Table 2A-1 to assist and guide the College Board Chairman and local government jurisdictions in the selection and appointment process. The President and College Board Chairman should work closely with the local jurisdictions in order to maintain a membership distribution representative of the college service area.

7. Duties and Responsibilities

A college board shall perform such duties with respect to the operation of a community college as may be delegated to it by the State Board. In general, a college board is responsible for assuring that the community college is responsive to the needs existing within its service region within the statewide policies, procedures, and regulations of the State Board. The specific duties of a college board include the following:

- a. The college board shall elect a chairman and other such officers from its membership as it deems necessary and shall adopt such rules and regulations as are considered necessary to conduct its business in an orderly manner.

Table 2A-1
CATEGORIES for COMMUNITY COLLEGE BOARD MEMBERSHIP

Agriculture	Machinery & Equipment
Air Conditioning & Heating	Meat, Dairy, Poultry & Fish
Allied Health	Products
Aluminum	Medical Equipment & Supplies
Architect	Medicine
Associations - Public Service	Metal, Mining & Refining
Associations - Trade	Military Personnel
Automobile Industry	Mineral Oil Industry
Beverages	Musical Instruments & Merchandise
Broadcasting Service	Office Appliances, Equipment, & Building
Materials	Stationery
Business Service	Optical Goods & Services
Chemical Industry	Osteopathy
Clothing Industry	Paints, Oils, & Decoration
Coal Industry	Paper Industry
Communication Service	Pharmacy
Construction Service	Photography
Dentistry	Plastics Industry
Dry Goods & General Merchandise	Plumbing
Education	Power Production Equipment & Electrical
Industry & Electronics	Supplies
Engineering	Printing & Publishing
Entertainment	Public Relations & Advertising
Exhibitions	Public Utilities and/or Service
Finance	Pure Science
Fire Fighting & Prevention	Real Estate
Firearms & Explosives	Recreation
Food Industry	Refrigeration
Funeral	Religion
Furniture & Home Furnishings	Retired
Gas Industry	Rubber Industry
Glass Industry	Ships & Nautical Equipment
Government	Shoe Industry
Hardware	Stone Industry
Homemaking	Storage
Horticulture	Textile Fibers
Hotels, Resorts, & Restaurants	Tobacco Industry
Institutions & Hospitals	Transportation
Insurance	Vehicle Industry
Iron & Steel Industry	Veterinary Medicine
Jewelry	Wood Industry
Laundry, Cleaning and Dyeing	
Law	
Law Enforcement	

- b. The college board and the members thereof shall serve as channels of communication between the State Board and the governing bodies of the local political subdivisions.
- c. The college board shall submit its recommendations to the State Board for a name for the community college and each campus of a multi-campus college. In the name of each community college shall be included the phrase "Community College." The college board shall be authorized to provide names for any facilities on the college campus.

Each college shall adopt policies regarding the naming of major facilities on its campus(es). The policies may provide for naming on the basis of significant service, but should also provide incentives and recognition for private sector giving to support the college. Recognition for private sector giving should typically occur after the gift has been received rather than on a prospective basis.

A current copy of the policy should be provided to the Office of Facilities Management Services.

Individuals are not eligible for this award if currently employed at the college or elsewhere within the Virginia Community College System, are serving on the local College Board, or serving on the State Board for Community Colleges. A separation from such employment or service of at least one month is a prerequisite for eligibility.

- d. The college board shall provide recommendations to the State Board on the development of the site plan and on the design, and construction, of facilities for the community college.
- e. The college board shall participate with the Chancellor and the State Board in the selection, evaluation and removal of the president of the community college in accordance with procedures adopted by the State Board.
- f. The college board shall participate, with the college president, the Chancellor and the State Board, in the development and evaluation of a program of community college education of high quality in accordance with procedures adopted by the State Board. In that context, a college statement of purpose shall be developed by the college community. It shall be approved by the college board and reviewed and approved by the Chancellor on behalf of the State Board. This statement of purpose shall tailor the VCCS Mission Statement to the particular needs and circumstances of the college.

- g. The college board shall be responsible for eliciting community participation in program planning and development, establishing local citizens' advisory committees for specialized programs and curricula, and approving the appointments of all members of these committees.
- h. The college board shall review all new curricular proposals for the community college and shall recommend those proposals that it supports to the State Board. It shall also review proposals for the discontinuation of programs and shall communicate its recommendations on such proposals to the State Board.
- i. The college board shall oversee the development and evaluation of the community service program for the community college, and may authorize the president to grant an "award of completion" to a person successfully completing an approved non-credit program.
- j. The college board shall be kept informed of the fiscal status of the college by the college president and shall receive summaries of the biennial financial plan and the annual spending plans.
- k. The college board shall review and approve a detailed local funds budget for the community college as prepared by the college president within State Board guidelines, and shall submit this proposed budget to the State Board for review at the time of its submission to the local political subdivisions. In addition, the college board shall submit a financial statement showing detailed expenditures of such local funds to the local political subdivisions and the State Board at the end of the fiscal year.
- l. The college board shall be responsible for reviewing and approving local regulations on student conduct developed by the college president within the guidelines of the State Board.
- m. The college board shall be responsible for the review and approval of a budget prepared by the college president for the expenditure of revenues from vending commissions and auxiliary enterprises, including the student activity fund within the guidelines established by the State Board. The college board shall be responsible for reviewing and approving periodic reports of revenues and expenditures within these funds.
- n. The college board shall be responsible both for reviewing reports of audit and for reviewing the college president's response to those reports of audit.

o. The college board shall be informed of personnel matters by the college president.

8. Contact with the State Board

Any college board or its authorized representative may appear before the State Board simply by notifying the Secretary to the State Board of its request no later than fifteen days prior to the next regularly scheduled meeting of the State Board so that this matter may be put on the agenda.

E. Local Advisory Committees for Specialized Programs

Local advisory committees for specialized programs and occupational/technical curricula shall be utilized in the establishment and evaluation of such programs and curricula.

F. Chief Administrative Officer of a Community College

The chief administrative officer of the community college shall be appointed by the Chancellor. The chief administrative officer shall have the title of president and shall serve as Secretary to the Community College Board.

The president is responsible to the Chancellor for the operation of the community college and is responsible to the college board for those areas in which the college board is empowered to act and which are assigned to the president by the college board.

1. Presidential Selection Procedure for the VCCS

The State Board as the governing body is responsible for the administration of the VCCS. The Chancellor, as the Chief Executive Officer of the System, is assigned the responsibility and delegated the authority to carry out the following Presidential Selection Procedures:

- a. The Chancellor shall announce the vacancy promptly by initiating a recruitment and advertising process, to include advertising it in all of the colleges of the System and in national publications of wide circulation to ensure gathering qualified applicants from a broad base.

- b. The Chancellor shall appoint an ad hoc Presidential Screening Committee which shall be chaired by a college president, co-chaired by a college president, and composed of a member of the Chancellor's Faculty Advisory Committee, along with senior college administrators such as Vice Presidents of Academic Affairs and Finance, chief advancement and workforce development officers, and representatives of other administrative areas. Three members of the local college board shall also serve as a member of this committee, with preference that the members who serve include the current Chair and Vice Chair, or Chair- and Vice Chair-elect. No member of the Committee shall be an employee of the college for which the president is being sought.
- c. The Associate Vice Chancellor for Human Resources shall conduct an initial screening of applicants by comparing applicant materials against objective evaluation criteria broadly distilled from the duties and responsibilities of Presidents outlined in VCCS Policy 2A, IX, F., 2, as well as additional leadership criteria determined by the Chancellor and the Local College Board.
- d. The Chancellor and the Presidential Screening Committee shall meet to identify a number of candidates to be invited for state-level interviews.
- e. Candidates chosen for state-level interviews shall be screened by the Chancellor, the Chancellor's Cabinet, the Presidential Screening Committee, and any member of the State Board desiring to participate for the purpose of selecting finalists to be presented to the State Board for certification. The Chancellor or the Chancellor's designee shall carry out a reference and background check on all finalists.
- f. The names of the finalists shall be presented to an ad hoc committee on Presidential Certification of the State Board for review and certification. Any candidate certified by the committee shall be eligible to be chosen for the presidency.
- g. The Chancellor shall notify the local college board, and the certified candidates, of the action of the State Board, and shall work with the college to schedule local college interviews.
- h. Local college interviews shall be under the direction of the local college board and shall involve representatives of the faculty, administration, staff and students, in addition to local college board members. The college interviews shall be comprehensive and will usually require the presence of a candidate for two days.

The purpose of the college interviews shall be to exchange ideas and evaluate the candidates' strengths and weaknesses in terms of the needs of the college. The qualifications of each candidate shall be presented by those involved in the interview process to the local college board. This assessment shall be as detailed as necessary, but shall not involve the ranking of candidates.

- i. Upon completion of the college interview process, the Chair of the College Board shall notify the Chancellor and a meeting shall be convened to discuss the selection of a president. The findings of the local college board and State level interviews shall be reviewed during this meeting. The Chancellor shall select a candidate from among those interviewed. The Chancellor shall then negotiate with the candidate regarding salary, effective date of employment and any other considerations specified during the meeting with the local college board and shall make the appointment if satisfactory arrangements can be made. If satisfactory arrangements cannot be made with the candidate, then any alternative course of action determined by the Chancellor shall be followed, including negotiation with other candidates or, reopening the selection process.
- j. The Chancellor shall notify the State Board of the final action.
- k. A news release on the appointment of a president shall be coordinated by the Chancellor's Office for release simultaneously by the Chancellor's Office and the local college board.
- l. The Chancellor shall provide materials regarding the operation of the college and the System and shall orient the new president to the duties and responsibilities of the presidency.

2. Responsibilities of the President

The President is responsible to the Chancellor of the Virginia Community College System for organizing and operating the community college in accordance with the policies, procedures, and regulations of the State Board for Community Colleges, and the Virginia Community College System. Specific responsibilities of the President are:

- a. providing principle-centered leadership and supervision for the community college including:
 - i. occupational/technical education, college transfer education, general education, and developmental education;

- ii. continuing education, workforce education, and community services;
 - iii. student access and student services, including counseling programs, student admissions and records, financial aid, disability services, and student activities;
 - iv. budget planning and fiscal management;
 - v. management and development of all campus sites and facilities, and technology
 - vi. recruitment, selection, and professional development of the college's human resources, and
 - vii. serving as secretary to the Local College Board.
- b. assuming responsibility for student enrollment growth relative to the growth of the college's service area;
 - c. developing effective regional and community relations with other organizations and individuals for the benefit of the college and community;
 - d. providing leadership for institutional resource development including serving as institutional liaison to the foundation and active involvement in fundraising, grants, gifts, and other resources;
 - e. serving as legislative advocate for the college and the Virginia Community College System;
 - f. leading an institutional effectiveness program for the purpose of continuous improvement;
 - g. representing the college at appropriate local, state, and national events;
 - h. maintaining an active program of professional development;
 - i. serving as a member of the VCCS Advisory Council of Presidents to study, analyze, and recommend policies and procedures to the Chancellor in the areas of budget and finance, human resources, technology, and academic and student affairs, public and governmental affairs, workforce development, and

serving as a member of the VCCS Advisory Council of Presidents to study, analyze, and recommend policies and procedures to the Chancellor in the areas of budget and finance, human resources, technology, and academic and student affairs, public and governmental affairs, workforce development, and

- j. supporting the work of the Virginia Community College System by actively participating in events and initiatives as requested by the Chancellor.

3. Procedures for Dismissal of a President

Either the Chancellor or the State Board may initiate action for the dismissal of a president. The State Board shall inform the college board prior to the dismissal of the president. (See Section 3, 3.15.3)

G. Personnel

All personnel of the community colleges are State employees and shall be required to work in areas for which they are qualified; shall be employed in compliance with the policies, procedures, and regulations established by the State Board and/or the Commonwealth of Virginia; and shall be approved by the State Board.

H. The Godwin Society

The Godwin Society is an association established by the State Board for Community Colleges comprised of all former members of the State Board to encourage their continued association with the Virginia Community College System. The association is named after the late Governor Mills E. Godwin, who signed legislation creating the Virginia Community College System in 1966.

1. Membership

State Board members automatically become members of The Godwin Society at the conclusion of their terms on the State Board.

2. Purpose

The Godwin Society shall give counsel to the State Board upon request and may assist, as directed by the State Board, in supporting Virginia's community colleges by participating in special events and promotional activities and by communicating with local business and civic leaders in their communities to further the goals and objectives of the Virginia Community College System.

3. Meetings

The Godwin Society shall meet at least once a year at the invitation of the State Board.

X. FISCAL POLICY and PROCEDURES

Through monies provided by the General Assembly and other sources, the State Board shall be responsible for the basic financial support of community colleges in Virginia in accordance with the following provisions.

A. Buildings and Equipment

The State Board shall provide the buildings and equipment for all community colleges exclusive of that specified in Section "B" below.

B. Site

The political subdivision(s) sponsoring and being served by the community college shall provide sufficient land, both for the initial establishment of the college and for future expansion, acceptable to the State Board including all improvements thereon (i.e., roads, parking lots, exterior lighting, all utilities to point of connection to buildings, et cetera).

C. Salaries

The State Board shall provide the funds for the salaries of all authorized personnel in the community colleges.

D. Operating Funds

The State Board shall provide the funds for all basic operating expenses of the community colleges.

E. Local Contributions

Political subdivisions, community agencies, and interested citizens shall be permitted, subject to prior approval and in compliance with the policies, procedures, and regulations of the State Board, to make financial contributions in addition to the basic costs provided for by the state for capital outlay and program operation of the community colleges.

F. Tuition and Fees

The State Board shall prescribe the tuition and/or fees to be paid by the students. The tuition and/or fees shall be collected in a manner prescribed by the State Board and shall be deposited in the State Treasury.

G. Educational Foundations

1. Purpose of the Policy

The State Board for Community Colleges has a vital interest in the work of Community College Foundations. It recognizes the substantial benefit for the Virginia Community College System derived from the existence of these Foundations. At the same time, the Board acknowledges that assets of the Foundations exist as a consequence of public tax policy and the generosity and good faith contributions of the public.

The Board acknowledges the "Prologue" of then Attorney General Gerald Baliles' 1983 memo that "fiduciary obligations are impressed by law on the management of such funds." Even though Foundations must comply with all federal and state law and the directives of their own governing boards, these organizations are generally not legally accountable to the affiliated institution, voter, stockholder, or consumer. As the Baliles' memo asserted, however, the Foundations influence institutional priorities as well as the overall educational policy of the Commonwealth with great impact. The State Board agrees with the Baliles' opinion that "Foundation disclosure to the institutions is fundamental to public accountability."

The dramatic growth of assets in Community College Foundations has made possible programs and services beyond the normal reach of operating budgets of the colleges. The State Board for Community Colleges is committed to providing quality support for the fundraising efforts of the Community College Foundations and the Virginia Foundation for Community College Education, and to that end seeks to promote efficiency and coordination among, as well as maintain independence and integrity within, all the Foundations. The State Board policy is not intended to control the activities or functions of the Foundations but to provide guidelines that will assure responsible growth and fiscal integrity.

To protect the interests of the Virginia Community College System, and as a condition of the Foundations' continued use of their colleges' names and resources, the State Board therefore declares that all Community College Foundations as well as the Virginia Foundation for Community College Education shall be: 1) established and organized solely for the college's or colleges' benefit; 2) operated using generally accepted business and accountability principles; and 3) managed in a manner consistent with the Foundations' own enabling documents and the guidelines of the State Board for Community Colleges specifically set forth in this policy.

2. Establishment and Organization of Foundations within the VCCS

Because Community College Foundations are affiliated organizations of the colleges whose names they share, their establishment is subject to the approval of the State Board for Community Colleges, after the Board's review of the purpose of the Foundation or affiliated organization, its proposed organizational arrangement, and its scope of activities. A college foundation, as defined for purposes of this policy, is one that uses the college's name, occupies college space, or enters into transactions with the college which requires its concurrence.

The Virginia Foundation for Community College Education (VFCCE), formerly known as the Virginia Community College System Educational Foundation, Inc., was reactivated in the spring 2005. While the VFCCE shall operate under similar auspices of the Community College Foundations, there may be minor variances inherent to a Foundation which benefits 23 colleges.

The purposes of the 23 Community College Foundations shall include: the promotion of fundraising programs and contributions from private sources; the management and investment of private gifts and/or property; and the sponsorship or promotion of educational, scientific, research, charitable, health care-related or cultural activities, all for the benefit of the colleges.

The purposes of the Virginia Foundation for Community College Education, in addition to those listed above, are to generate support and resources for Virginia's 23 community colleges; to facilitate innovative and collaborative initiatives between the colleges and business and industry; and to support initiatives increasing access and opportunity for all Virginians.

The approval of the State Board for the establishment of a Foundation does not constitute the Foundation as an agency of the Board, the college, or the Commonwealth. Such approval constitutes only the State Board's agreement that the Foundations' missions and purposes are compatible with the educational interests of the Virginia Community College System.

The application to the State Board to establish an institutionally related Foundation within the VCCS shall encompass six primary requirements:

- a. Submission of a copy of the Foundation's proposed Articles of Incorporation and Bylaws that are fully consistent with the mission of the Virginia Community College System at the time of the Foundation's creation and into perpetuity.
- b. A statement in the enabling documents that the Foundation shall meet the requirements of the Code of Virginia (Chapter 10, Non-Stock Corporation Act) and shall operate as a non-profit non-stock corporation or association that is legally separate from the college. It shall obtain and maintain status as a tax-exempt, charitable organization under both State and Federal Income Tax Laws so that incoming contributions and bequests will be deductible to taxpayers as provided by Income Tax Laws.
- c. A provision in the enabling documents that the College President (or designee) and one or more Local College Board members (appointed by the Local College Board) shall serve as ex officio members of the Foundation's governing board with voting rights. In all cases, the arm's length rule between the Local Board and Foundation Board must be maintained. In order to preserve independence, Foundations shall assure that at least 60% of its membership consist of individuals who are not also members of the Local College Board. All Foundation Board members shall have defined terms of service.
- d. A provision in the enabling documents that in the event of the dissolution of the Foundation, the Foundation's assets shall be distributed in the best interest of the college.
- e. A clause in the enabling documents that the Foundation will adopt an investment policy with the primary aim of preservation of principal.
- f. A provision in the enabling documents that the Foundation will establish an audit committee to report to the Foundation governing board.

Once established, Foundations shall submit to the State Board for Community Colleges, for approval, any proposed new business venture or change in nature, purpose, or scope of Foundation's activities that are substantial in nature and outside the normal function of the Foundation, such as changes in the Articles of Incorporation. The State Board shall not unreasonably withhold such approval.

The VFCCE shall comply with all but item c of the above provisions.

3. College Resources and Services

At the request of the Community College Foundation, the college may consent to provide administrative support services to assist in Foundation daily management and operations. Such services might include: use of the college financial system to receive, disburse or account for funds held; use of college personnel to work on specific Foundation projects; use of college facilities for Foundation functions or other services. Each college must require that its affiliated Foundation obtain institutional approval prior to using the services of college employees.

The institution and the System Office will be entitled to recover direct costs in the provision of any such services to the Foundation; likewise, the Foundation may seek to recover its costs for personnel, use of facilities, or other services provided to the college.

Foundation employees shall be accorded the privileges generally available to college employees, such as use of libraries, recreational facilities, parking, or other appropriate services.

Similarly, the System Office may consent to provide administrative support services to the Virginia Foundation for Community College Education.

4. Foundation Relationships with Colleges and the State Board

Each Community College Foundation or affiliate should execute a formal agreement specifying the responsibilities of each entity, acknowledging the scope of its fundraising activities, and including other provisions of general application as may be specified by the Foundation Board, Local College Board, or State Board for Community Colleges.

The college and its related Foundation in addition to the Virginia Foundation for Community College Education will acknowledge that each is an independent entity respectively and agree that neither will be liable nor will be held out by the other as liable for any of the other's contracts, torts, or other acts or omissions, or those of the other's trustees, directors, officers, members, staff or activity participants. Further, the Foundations are without authority to speak for or commit the State Board for Community Colleges to any obligation or undertaking except as agreed in writing by the State Board, the Chancellor, and the appropriate College President.

The Commonwealth of Virginia, the colleges, and the State Board have not provided, and shall have no obligation to provide insurance coverage of any type for the Foundations or their Directors, officers, staff or activity participants. The Commonwealth of Virginia, the colleges, and the State Board shall have no obligation to provide any legal defense for the Foundation, its Directors, officers, staff, or activity participants in the event of any claim against them.

Transactions between the college and its related Foundation in addition to the Virginia Foundation for Community College Education shall meet the normal tests for ordinary business transactions, including proper documentation and approvals. Special attention shall be paid to avoiding direct or indirect conflicts of interest between the colleges, the Foundations, the System Office and those with whom the Foundations do business. Foundations should take care to rotate accounting firms performing audits at least every five to seven years.

All correspondence, solicitations, activities, and advertisements concerning the Foundations will be clearly discernible as being from the Foundations and not the college or System respectively. Similarly, any publicity concerning a Foundation-sponsored course or other educational offering must make clear that the programs are not being offered by the college.

5. Management and Operation of Foundations

While the purpose of the State Board for Community Colleges' policy on Foundations is not to control Foundation activities or functions, presidents should nonetheless individually advise the Chancellor on the scope of their activities. The primary means for this communication should be through compliance with the reporting requirements outlined in paragraph 6 of this policy.

Each Foundation shall have in place a detailed annual operating budget and capital expenditure plan with the approval of the Foundation Board. The Foundations' financial commitments and expenditures shall be consistent with the approved budget and capital plan.

All Foundations shall meet the requirements currently in effect for compliance with the criterion on "Related Corporate Entities" as specified by the Commission on Colleges of the Southern Association of Colleges and Schools.

Foundations should take care to advise donors that any restrictive terms and conditions attached to gifts for the benefit of colleges are subject to approval by those colleges for gift acceptance.

Foundations shall observe the following guidelines with regard to the appointment, compensation, and retention of Foundation personnel.

- a. The Foundations shall observe all affirmative action/equal employment opportunity regulations for hiring practices currently in effect for the institutions.
- b. If compensated with Foundation funds, the Foundation's Executive Director will be appointed or re-appointed subject to the approval of the Foundation Board on an annual basis. Failure or refusal to comply with Foundation policies or to act consistent with college regulations shall be cause for the Foundation Executive Director's termination prior to the completion of the appointment term.
- c. The Foundation Board shall set compensation standards, including salary ranges and fringe benefits for all full-time Foundation staff. Foundations shall provide their full-time employees with appropriate written contracts and should provide retirement and sick leave benefits comparable to institutional standards. Compensation should, at a minimum, reflect the prevailing standards for comparable positions within the affiliated institution. At least annually, the governing board of the Foundation shall approve the salary of all Foundation staff and confirm this action in minutes of the Board meeting.

With regard to the investment and disbursement of Foundation funds, the following conditions apply:

- a. Local funds of a community college of more than \$500 per year may not be disbursed or transferred to a Foundation for any purpose with the exception of the annual college donations to the Virginia Foundation for Community College Education to support the Chancellor's discretionary fund.
- b. Except with the prior approval of the Treasury Board, the State Board for Community Colleges, and the Attorney General's Office, a community college may not borrow funds from a Foundation creating an indebtedness to repay on behalf of the Commonwealth.
- c. Any transfer of endowments or other assets by the college to the Foundation, or by the Foundation to the college, for management or for investment, will be formalized in a Memorandum of Agreement, to assure that any restrictions governing the future disposition of funds are observed, and that the transaction complies with fiduciary requirements of the respective boards.

Community colleges are required to comply with the provisions of the Virginia Public Procurement Act, but their affiliated Foundations are not obliged to follow those regulations in the

ordinary procurement of goods and services. There may be occasions for each Foundation, where it is advisable and appropriate, to use competitive practices; however. In instances where the college has agreed in writing to reimburse the Foundation for goods or services to be acquired on behalf of the college, the Foundation must, however, comply with the Virginia Public Procurement Act.

No salaries, consulting fees, loans, gratuities or perquisites shall be paid or given to a college employee or to a Foundation Trustee by the Foundation without the prior written approval of the College President, or in the case of a President, without the prior written approval of the Chancellor and the State Board.

Business transactions involving the Foundation and personal or business affairs of a trustee, director, officer, or staff member shall be approved in advance by the Foundation's governing board. Trustees, Directors, officers, and staff members of the Foundation shall disqualify themselves from making, participating in making, or in any way attempting to use their official positions to influence a decision in which they have or would have a financial interest. Likewise, in accordance with Internal Revenue Service regulations governing tax exempt organizations, no substantial part of the activities of the Foundation shall consist of attempting to influence legislation, or participating or intervening in any political campaign on behalf of any candidate for public office.

The State Board recommends that each Foundation Board bond officers and staff members as appropriate. The Virginia Code limits liability of Directors and officers of Virginia non-profit non-stock corporations. The Foundation Board should acquire general liability insurance and Directors' and officers' insurance in amounts it determines to be reasonable and appropriate.

No Director, Trustee, officer, or staff member of a Foundation shall accept from any source any gift or gratuity that is offered, or reasonably appears to be offered, because of the position held with the Foundation by the individual, nor shall an offer of a gift or gratuity be extended by such individual on a similar basis. This provision applies to the individual and does not apply to gifts offered to or by a Foundation as an organization.

6. Reporting Requirements

Each community college shall designate an individual responsible for communicating with the Chancellor about Foundation activities and policy matters and for filing required reports.

As a condition of its continued existence, each Foundation must provide the following information to the designated individuals:

- a. All foundations must submit an annual Statement of Net Assets, Statement of Changes in Revenues, Expenditures, and Net Assets, and financial footnote schedules by a date established by the VCCS Office of Fiscal Services (typically the 3rd or 4th week in August) for the foundation's most recent reporting year for inclusion in the VCCS annual financial report. The details of this requirement will be provided by the VCCS Office of Fiscal Services in the annual financial statement memorandum mailed to the colleges in July. The information submitted by the foundation does not have to be audited but should be either prepared or approved by an independent Certified Public Accountant. Foundations will only be required to submit the requirements of this item to the VCCS Office of Fiscal Services.
- b. All colleges must submit to the Chancellor, copies of any proposed changes to the Foundation's Articles of Incorporation or a statement of any plans for a change in the scope of activities; and
- c. All colleges must submit to the Chancellor, a copy of a joint operating agreement between the Foundation and the college or the Foundation and the System respectively outlining means the entities will use to follow this policy.

7. Annual Reporting

In addition to the requirements enumerated above, no later than six months after the end of the Foundation's fiscal year, the Foundation will provide to the President of the College, as well as the Chancellor, Vice Chancellor for Institutional Advancement, and the Vice Chancellor for Administrative Services at the Virginia Community College System, the following information items:

- a. An Annual Financial Audit Report, including a complete set of audited financial statements; independent audit opinion, Statement of Financial Position, Statement of Activities, and Statement of Cash Flows, for the most recently completed year, along with certification that the Foundation Audit Committee has met and reviewed the findings (the Audit Report must have been completed by a certified public accounting firm, and must include compliance testing with the required policies and procedures in this document);
- b. Notice of any planned major capital expenditure;
- c. A copy of the most recent IRS Form 990, as filed;

- d. A detailed list of any compensation, prize or award paid to any college employee or member of the employee's immediate family, whether in the form of cash or property or the use of cash or property;
- e. A detailed list of all private firms responsible for managing or investing the Foundation's or affiliate's assets and the fee paid for such services.
- f. Notice of any audit or review by tax authorities or action taken, or threatened action, that would adversely affect the tax-exempt status of the Foundation or affiliate.

8. Annual Certification Letter

On an annual basis, and prior to August 1, the Executive Director of each Foundation shall submit to the Chancellor and to the President of the institution, a letter which certifies compliance with the following requirements:

- a. Copies of this policy have been circulated among all members of the Foundation Board.
- b. Compensation of any kind which the Foundation has provided to college employees has been approved by the President, and in the case of College Presidents, approved by the Chancellor of the Virginia Community College System prior to payment. A listing of total payments to individuals should be attached to the Certification Letter.
- c. The annual budget of the Foundation has been approved by the Foundation's governing board and has been provided to the College President or designee.
- d. Assurances that plans for the college to borrow funds from the Foundation, change its Articles of Incorporation, or make changes in the nature, scope, or purpose of the Foundation will not take place without prior written approval from the appropriate authorities (State Board, Treasury Board, and Attorney General's Office, as may be applicable).

9. Other Report Requirements

- a. Within two weeks of notice of any litigation or threat of litigation brought against the Foundation, its officers, or Directors, the Foundation shall inform the Chancellor of such occurrences.

- b. The Foundation shall provide to the President of the College all minutes of regular and Executive Session meetings of its governing board.
- c. The Foundation shall report on a mutually agreed schedule to the College President regarding its financial position and capital expenditures, with special emphasis upon transactions between the Foundation and the college, as well as transactions affecting Foundation employees and/or Trustees.
- d. The Foundation shall provide annual disclosure to the public in its service region of the names of individuals serving on its Board of Directors.
- e. The Chancellor of the Virginia Community College System shall report to the State Board for Community Colleges on the progress of community college Foundations and the Virginia Foundation for Community College Education each year through the Annual Financial Report and other means deemed appropriate.

XI. AUDITS

The Internal Auditor reports to the State Board. All internal audits, or audits from independent auditors as employed by the State Board, and the State audits as they are made, shall be submitted to the entire Board.

XII. AMENDMENTS

Within the scope of the enabling legislation and at a properly constituted meeting the State Board may, by a majority vote of the State Board, change, add to, or alter these policies, procedures, and regulations and may make other policies, procedures, and regulations it considers desirable to improve the operations of the community colleges. Unless otherwise stated, policy shall take effect upon adoption and remain in effect until revised or repealed.

XIII. OPERATING MANUAL

Operating policies, procedures, and regulations are found in the Virginia Community College System Policy Manual--copies of which are available at each college.

XIV. EXCEPTIONS TO POLICY

Any request for an exception to the policies contained in the Policy Manual shall be submitted to the Chancellor for decision or for referral to the State Board.

ORGANIZATION CHART
VIRGINIA COMMUNITY COLLEGE SYSTEM

