



# Northeast Community College Board Policy Manual

## Executive Limitations Policy Policy Number: EL - 06

### Asset Protection

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

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

1. Permit the organization to have inadequate bonding and/or inadequate insurance against property and casualty losses.
  - 1.1. Permit the organization to insure its property with inadequate valuation and limits and for damage due to an insufficient scope of perils.
    - 1.1.1. Insure the buildings and contents with a blanket limit which is not in accordance with the industry standard cost to replace the damaged items with materials of like kind and quality, without deduction for depreciation.
    - 1.1.2. Permit the organization to have inadequate insurance for theft, disappearance or destruction of money and securities inside or outside the premises.
  - 1.2. Permit the Board members, College staff and individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance.
    - 1.2.1. Allow the organization, Board members, and College staff to have inadequate insurance covering professional liability, errors or omissions related to the administration of or fiduciary duties involved with design or administration of employee benefits, wrongful acts involving personnel or other material decisions, or claims alleging sexual harassment, molestation, abuse or workplace harassment.
  - 1.3. Permit the organization to have inadequate Privacy/Cyber insurance.
  - 1.4. Permit individuals traveling out of the United States on behalf of the College to have inadequate Travel Accident insurance.
  - 1.5. Permit the organization to purchase a bond or crime insurance with inadequate limits and which does not cover loss due to dishonesty and lack of faithful performance by personnel

having access to material amounts of funds, and which does not comply with any applicable statutory or regulatory obligations related to retirement accounts.

2. Allow personnel who are not included under a bond or crime insurance to have access to material amounts of funds
3. Unnecessarily expose the organization, its Board members or staff to claims of liability.
  - 3.1. Allow any material contracts or material internal human resource documents to be executed without adequate review by qualified legal counsel.
  - 3.2. Allow any employee or volunteer to be in contact with children under the age of 18 or other vulnerable populations without being screened subject to the requirements of the organization's insurer.
4. Receive, process or disburse assets under controls that are insufficient to meet the Board-appointed auditor's standards.
  - 4.1. Receive, process or disburse the organization's assets under internal controls insufficient to detect, deter and prevent fraud or insufficient to prevent and detect significant deficiencies or material weaknesses.
5. Permit internal controls insufficient to prevent and ensure against tardy, inaccurate, specious or misleading financial reporting.
6. Cause or allow buildings and equipment to be subjected to improper wear and tear or insufficient maintenance.
7. Allow the organization to operate without a plan to mitigate loss to organizational assets damaged by a disaster and to expedite recovery from a disaster.
8. Make purchases that do not result in an appropriate level of quality, after-purchase service and value for dollar, or do not provide opportunity for fair competition.
9. Compromise the independence of the Board's audit or other external monitoring or advice.
  - 9.1. Engage parties already chosen by the Board as consultants, auditors, legal counsel or advisers.
10. Permit investments that are inconsistent with state law, or managed in a way that is inconsistent with the primary objectives of capital preservation and reasonable growth.
11. Allow intellectual property, trademarks and copyrights, information, and files to be exposed to loss or significant damage.
12. Allow information and files to be retained for an inappropriate period of time, stored in a manner that does not enable efficient access, or improperly destroyed.
  - 12.1. Permit employees and contractors to be uninformed of these requirements.
13. Endanger the organization's public image, credibility, or its ability to accomplish Ends.
  - 13.1. Allow non-adherence to guidelines for required institutional and desired supplemental program accreditations.

- 13.2. Accept gifts or grants which obligate the College to make future expenditures other than those provided for by the gift or grant.
- 13.3. Publicly position the college in support of or opposition to any political party or candidate for public office.
- 13.4. Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.
- 13.5. Allow relationships with stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.
- 13.6. Permit inconsistent, disrespectful or untimely response to stakeholder concerns.
14. Change the organization's name or substantially alter its identity in the community.
15. Decide or change the name of any College Property after an individual or organization.
16. Create or purchase any subsidiary corporation.

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