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**Continuous Improvement of Business Practices at Rutgers**

September 6, 2007

Rutgers Faculty and Staff:

As we start the new academic year, I wanted to remind you of our university's commitment to responsible business practices. Public universities and colleges receive state and federal funds in carrying out their essential missions, and thus have a particular obligation to be careful stewards of these resources. Rutgers enjoys a special degree of autonomy as a result of the 1956 Act, which fully and formally established our institution as The State University of New Jersey. This unique status, which ensures us considerable independence in serving the state's higher education needs, only underscores the critical importance of conducting responsible fiscal practices at Rutgers—a responsibility we take with the utmost seriousness.

While Rutgers' commitment to the continuous improvement of business practices is longstanding, the Board of Governors and the administration have made a focused effort in the past four years to review and strengthen university policies and procedures. Since this review began, the following policies and/or practices have been revised or implemented at Rutgers:

- A revised purchasing policy, which provides guidance on competitive purchasing and bid limits; restricted goods and services; conflicts of interest and ethics; supplier diversity; and sustainable purchasing.
- A revised conflicts of interest policy for members of the boards of governors and trustees and university officers, which makes clear when the possibility of a conflict exists and how to resolve the conflict.
- A new policy on charitable contributions that explicitly prohibits the use of state-funded resources for charitable donations and provides guidance on the use of other university resources for charitable contributions.
- A revised policy on political activities, which clarifies the university's prohibition on the use of university resources for political activities.
- A revised policy on travel and business expenses, which also strengthens the auditing of these reimbursements.
- The establishment of a Reporting Financial Concerns website (<http://www.financialconcerns.rutgers.edu>) and a confidential, independently operated hotline (1-800-445-7079), which anyone can use to report suspected misconduct in accounting and financial matters.
- The new All Funds Budgeting Process, which established increased accountability and centralized review of all academic unit budgets.

- The institution of a comprehensive, written series of annual strategic goals and areas of emphasis and effort by which progress is measured across the university. These goals are published on my website each year, along with a follow-up report on our progress. The Board of Governors evaluates my performance based on these goals and I, in turn, evaluate those who report directly to me.

The policies are posted in the University Policy Library at <http://policies.rutgers.edu>. In the coming academic year, the university intends to adopt or strengthen policies governing the purchase of alcohol for university events, the hiring of federal and state lobbyists, and the employment of current and former public officials.

Our changes have been the result of our own due diligence as well as many external influences. These include governing board-requested reviews of best practices at other institutions, principles and practices related to financial controls from the Sarbanes-Oxley Act of 2002, and various federal and state directives and reports related to business practices and governance. In each case, Rutgers has welcomed the opportunity to cast a thorough and discerning eye on our policies and practices and to fix any problems thoughtfully and comprehensively.

Every improvement of a business practice not only strengthens the public trust but also helps Rutgers make the best use of our limited resources to prepare our students well and create new knowledge in areas critical to our state and the world. I am grateful to all those individuals who have helped us strengthen our fiscal practices, and I urge all Rutgers employees to remain vigilant in following the letter and spirit of our commitment to responsible business practices.

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