

Progress Report
Smithsonian Governance Policies
March 10, 2008

Smithsonian Policies Implemented in 2007

- Updated travel policy in July 2007. Current (and past) policy followed the Federal Travel Regulations. The revised policy specifies the senior-level approvals necessary for use of car services; travel with spouses; and upgrades to business-class airfare.
- A recent review revealed that Smithsonian Business Ventures (SBV) follows the vast majority of Smithsonian policies but follows its own policies on contracting and travel. These two exceptions to Smithsonian policy are currently under review to determine whether exceptions are necessary for this revenue-producing activity.
- Amended Regents' bylaws to formalize general counsel and chief financial officer's direct access to Regents. In addition, the FY 2008 budget includes federal funding for more staff positions in the CFO's unit as well as the Office of the Inspector General.
- Clarified policy regarding use of trust funds for gifts and refreshment in March 2007 and February 2008. Policy states that trust funds may not be used to purchase gifts for employees. Gifts for donors and sponsors are permitted but only if they meet certain criteria. If the cost of the gift for donors or sponsors exceeds \$150, it requires preapproval by the museum director and the central development office; generally, SI funds may not be spent on meals or refreshments served to SI staff unless preapproved by the museum director. The February 2008 revision eliminated the requirement for preapproval by unit directors when trust funds are used to purchase food, beverages and light refreshments for SI staff when staff is involved in development activities involving a donor or sponsor.

Board of Regents' Functions and Role

- Adopted defined set of duties and expectations for the Regents (job descriptions).
- Created new position of chair of the Board (Roger Sant elected Jan. 28).
- Created independent Office of the Regents to strengthen Regent oversight function. (This four-person office is headed by Chief of Staff John Lapiana and is separate from the Office of the Secretary.)
- Increased number of meetings for Board of Regents to at least four full-board business meetings each year. (Regents met seven times in 2007.) Regents' committees meet more often.
- Established new criteria for citizen Regent nominations. (Criteria include diverse ethnic backgrounds; museum, educational and research experience; and business, financial or investment skills.)

Ethics and Oversight

- Code of Ethics—Officially titled Statement of Values and Ethics, this document will articulate core values and ethical standards and will apply to all Smithsonian employees, Regents and volunteers. It will supplement the existing Standards of Conduct. The Smithsonian Standards of Conduct (addressing policies and processes) remains in effect and is given to all members of the

Smithsonian community. The Statement of Values and Ethics was approved by the Regents at the Jan. 28 meeting.

- New leave policy for senior staff went into effect Sept. 30, 2007. Thirty-five directors and senior staff who had been under an unlimited leave policy, which provided for leave taken as appropriate given professional responsibilities, began using the same accrued leave policy (sick and annual leave) as all senior federal employees.
- New policy on corporate and nonprofit board service and outside activities has been implemented: Service on corporate boards is prohibited, and service on nonprofit boards must be approved by supervisor, general counsel and the Secretary.

Public Outreach and Communications

- Expanded public Web site includes information about the Regents, minutes of their meetings and updated Smithsonian policies.
- New FOIA policy, titled Requests for Smithsonian Institution Records, went into effect Nov. 30, 2007. This nine-page policy follows FOIA with a few exceptions that are necessary because of the unique nature of the Smithsonian. Among the exceptions are commercial and financial information associated with nonfederal business operations, including contracts, that will cause competitive harm to Smithsonian's business operations; information about nonfederal financial investments that are subject to confidentiality agreements required by the investment firm; the purchase price or value of an artifact or work of art; and unpublished research and scientific data that is intended to be shared through professional publication. The policy is now being revised in order to comply with the provisions of the Open Government Act of 2007 and to tighten some of its prior exemptions.

Executive Compensation

- Engaged an independent consultant (Mercer) to work with the Regents on an appropriate compensation range for the next Secretary.
- Developed a unified compensation structure: All executive positions were evaluated to determine if the job family exists in a significant way in the federal system and if the Smithsonian would be likely to find candidates in the federal labor market. Positions meeting both those criteria will be paid on a federal equivalent scale. Positions that do not meet both criteria—such as museum directors and fundraisers, whose positions require skills and duties not found in the federal sector—will be paid at a fair market rate determined by compensation consultants. (This year, the Institution is working with PricewaterhouseCoopers.)

Facilities

- Established a permanent Regents' Committee on Facilities Revitalization (chaired by Robert Kogod).
- Developing a comprehensive strategy to address the funding shortfall for facilities maintenance, revitalization and construction. One aspect of this strategy will be to include a facilities component in a national fundraising campaign, which will be augmented by the Legacy Fund established by Congress in the Institution's FY 2008 appropriation.