

**Progress Report**  
**Smithsonian Governance Policies**  
**May 5, 2008**

**Smithsonian Policies Implemented in 2007**

- Updated travel policy in July 2007. Current (and past) policy follows 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 review of Smithsonian Business Ventures' policies showed that it follows all Smithsonian policies with the exception of policies that govern the Smithsonian's computer financial systems, since SBV uses different systems for its unique work. A revised contracting policy for the entire Institution is being prepared; it includes standards for SBV's revenue-generating contracts and licensing agreements.
- Amended Regents' bylaws to formalize general counsel, chief financial officer's and IG'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 refreshments in March 2007 to include the following: 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; and may require preapproval by the museum director and the central development office; Smithsonian funds may not be spent on meals or refreshments served to Smithsonian staff unless preapproved by the museum director.

**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 was elected on Jan. 28).
- Created independent Office of the Regents to strengthen the Board's oversight function. (This four-person office is headed by Chief of Staff to the Board of Regents John K. 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 Code of Ethics—this 6-page document articulates core values and ethical standards and will apply to all Smithsonian employees, Regents and volunteers. It supplements the existing Standards of Conduct which

applies to all employees. The Statement of Values and Code of Ethics was approved by the Regents at the Jan. 28 meeting.

- New leave policy for senior staff went into effect Oct. 1, 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 not permitted 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, reports, meeting schedules and agendas, 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. It will be updated as needed. Among the exceptions to FOIA are commercial and financial information associated with nonfederal business operations, that will cause competitive harm to Smithsonian's business operations; 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 publications.

### **Executive Compensation**

- The Board set the Secretary-designate's compensation significantly lower than that of the former Secretary, using revised comparables and non profit guidelines.
- 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 standing committee on Facilities Revitalization.
- 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.