

Vietnam Education Foundation

**Minutes of the
Meeting of the Board of Directors**

November 22, 2013

**2111 Wilson Boulevard, Suite 700
Arlington, VA 22201**

List of Attendees:

- **VEF Board members:**
 - **Dr. Isaac Silvera, Chair**
 - **Dr. Quyen Chu**
 - **Mr. David Duong (via telephone)**
 - **Mr. Basil Kiwan (Treasury)**
 - **Mr. Tim Marshall (State)**
 - **Ms. Anhlan Nguyen**
 - **Dr. Kimoanh Nguyen-Lam (Education)**
 - **Ms. Quyen Vuong**
- **VEF Staff:**
 - **Dr. Lynne McNamara, Executive Director**
 - **Ms. Sandarshi Gunawardena, Senior Program Officer**
 - **Dr. Peggy Petrochenkov, Program Officer**
 - **Mr. Taylor Wynings, Director of Finance and Accounting**
- **VEF Guests:**
 - **Ms. Sandy Dang (former Board member and former chair of the Finance Committee)**
 - **Ms. Lesly Wilson (GSA Legal Counsel)**

Call to Order and Approval of Minutes – Dr. Isaac Silvera

Dr. Silvera called the meeting to order, welcomed those present and noted that Ms. Sandy Dang, outgoing Board member, was present. He expressed appreciation for her enthusiastic and effective service during her tenure on the Board. He invited a motion to approve the minutes of the July 12, 2013, Board meeting and, on motion duly made and seconded, those minutes were unanimously approved. Dr. Silvera noted for the record that Quyen Vuong had been approved by an e-mail vote to be Chair of the Finance Committee, and Anhlan Nguyen had been approved as Chair of the Outreach Committee, also by an e-mail vote.

Dr. McNamara commented that the Board had asked for some alacrity in providing the minutes to the Board members and she explained the process. Specifically, after the minutes and transcript prepared by the contractor are sent to the Executive Director, she has the staff

review sections of the minutes that are germane to their areas of responsibility. Then, the Executive Director reviews the minutes, referring to the transcript as needed and editing only for the purpose of clarity and accuracy. Finally, she sends the respective draft minutes to the Board Chair and Finance Committee Chair for review first, before sending the draft minutes to the Board members. Although the goal may be to make delivery within a month, circumstances (including the personal schedules of both staff and the Board Chair and Finance Committee Chair) may delay delivery past that goal. Nonetheless, Dr. McNamara assured the Board that the transcript and minutes would be delivered as soon as possible after the meetings.

Referring to the Board By-Laws, Dr. McNamara clarified a question about the process for approving appointments to the various committees, noting that Board approval is only required for appointments to the Finance Committee and the Outreach Committee. Appointments to the Selection Review Committee do not require a formal Board approval.

Executive Director's Top Line Report, Dr. Lynne McNamara

Dr. McNamara briefly reviewed the development of VEF from its inception ten years ago to its current reputation for innovation and quality in the performance of its mission. During its growth, VEF has evolved from an organization whose Executive Director was a businessman, followed by very qualified academicians, who witnessed the growth of highly qualified and specialized staff -- experts in international education, exchange programs, immigration procedures, conference planning, IT and finance. During that same time, many programs that were outsourced were brought in-house to be managed by staff. One very important outcome of the ten-year journey is that VEF, which started from a blank slate, can be emulated as a model for educational exchange and can serve as a template for what is essential in opening and operating a small federal agency. Dr. McNamara concluded by expressing appreciation for the dedicated Board members who, over the years, have guided VEF's management team.

Selection Review Committee (SRC), Mr. Tim Marshall

Dr. Silvera announced that Dr. Quyen Chu had agreed to serve on the SRC. Then, Mr. Marshall reported that the SRC met and agreed on a recommendation that the slate of finalists for Fellowships, known as nominees, be reviewed and approved as Fellows at the fall Board meeting, instead of the spring meeting, usually held in April. The rationale was that this early endorsement gives the Fellows more credibility when applying for admission to U.S. universities.

A second recommendation was to award Visiting Scholar grants to applicants who were rank ordered one through three, but to make every effort, if funds are available, to provide funding for the applicant rank ordered four by the U.S. interviewers.

Finally, the SRC recommended that, if a Fellow withdraws from consideration after being selected as a Fellow, that his or her Fellowship be awarded to the next Alternate in rank order.

With regard to addressing resolution of an award in the event that two Alternate candidates are evaluated equally and are tied, the SRC recommended the following consideration in the order indicated to resolve that tie:

- Member of a minority group
- Female applicant
- Underrepresented field of study
- Underrepresented geographic area of Vietnam
- Applicant for a Ph.D. takes precedence over an applicant for a master's degree

Finally, the SRC discussed the issue of awarding a grant to an applicant who has already received a grant, and there was agreement that an applicant who has not had a previous grant award should take precedence over an applicant who is applying for a second or third grant. However, such an applicant should be eligible for a second or third award if there is no qualified applicant in line for a first-time award.

Dr. McNamara noted that the recommendations pertain to process and formal Board approval would be required. In a series of motions, duly made and seconded, the Board unanimously approved three recommendations: (1) the slate of 40 nominees for Fellowships were officially selected and approved as Fellows and this approval practice will take place regularly at the November Board meeting; (2) Fellowships will be awarded to the next qualified Alternate, in rank order, when a Fellow withdraws from the process; and (3) selection preference will be given to applicants who have not had a previous grant, but an applicant who has had a previous grant is not barred from applying or receiving an award.

With regard to the other recommendations, consensus arose from the discussion that, if funds are available, a Visiting Scholar grant should be awarded to the qualified fourth ranked candidate; and that, in the future, Visiting Scholar candidates who have equal qualifications under the normal selection process should be selected based on the tie-breaking considerations described above.

Turning to the review and approval of the specific candidates for Fellowship awards, Dr. McNamara stated that the Board had approved funding in the budget for 40 Fellows and the SRC had arrived at a roster of 40 qualified candidates plus 33 qualified Alternates. She also noted that funding for three Visiting Scholars had been approved in the budget, but that one of the candidates would only serve half a term, saving about \$20,000 that could be applied to funding the fourth candidate, as discussed above, but additional funding would still be necessary. On motion duly made and seconded, the Board unanimously approved the increase in funding of \$20,000 above that already authorized by the Board, to be used to fund a fourth Visiting Scholar.

Mr. Marshall noted that, pursuant to a discussion on the day before the meeting, he would develop a specific recommendation for dissemination of information related to the August interview mission, and Dr. Nguyen-Lam commented that the Zien Solutions human resources report had included a recommendation to contact Fellowship applicants who were not selected to see if anything in their experiences would be helpful in dealing with such applicants in the future. For example, were there financial issues, language barriers, transportation obstacles, social effects such as being very nervous about the interview, and so on. Dr. McNamara mentioned that there was already in place a check-off list prepared by the U.S. interviewers that lists almost every factor related to success or failure in the interview. Dr. Petrochenkov commented that every candidate is given a complete list of requirements to qualify (minimum scores on the GRE and TOEFL, minimum GPA, three letters of recommendation, etc.). She added that there was also the financial impact on VEF to undertake such a follow-up. Dr. Silvera, noting the lack of a motion to resolve the issue, terminated the discussion and moved on to the financial report.

Finance Committee Report, Quyen Vuong

Ms. Quyen Vuong noted that the Board would discuss the appointment of Anhlan Nguyen to the Finance Committee, and Dr. Silvera observed that there was Board consensus that the appointment be approved.

Ms. Quyen Vuong invited discussion of the Zien Solutions human resources report and the Mercer survey of salaries in Vietnam, both of which were previously approved and commissioned by the Board. Dr. Silvera commented that the report had been discussed in detail at the meeting the day before, and the recommendation to the Board is to maintain the Vietnam Country Director's salary at its present level, which would serve to maintain stability of the Hanoi office operations. The Zien report stated that staff salaries were in line with salaries at comparable organizations, such as international NGOs, but that the Country Director's salary was considerably higher and should be brought into line with other comparable organizations. The Mercer report did not agree with that result. Nonetheless, as a result of the discussion, the Board members recommended that the Country Director's salary should be maintained with no increases in the foreseeable future. On motion duly made and seconded, the Board endorsed the recommendation by majority vote.

Dr. Nguyen-Lam mentioned a second recommendation in the Zien report related to reimbursement of Hanoi office staff when, as is the custom in Vietnam, official visitors are usually hosted by the Hanoi staff to a lunch or dinner. Dr. McNamara commented that, although there is policy that prohibits such an expense, the custom overrides that policy in that staff often pays for such amenities using their own personal funds. Ms. Wilson stated that federal appropriated funds may not be used for entertainment, and Ms. Gunawardena agreed that, regardless of custom, VEF should abide by the same rules as other federal organizations overseas. It was noted that there are donated funds that might be used for the purpose.

Concerning the detailed FY 2013 expenditures, Mr. Wynings commented that the accounts had been discussed in detail at the earlier Finance Committee meeting and a redundant discussion should not be necessary, since almost everyone was present at that meeting. He stated that the FY 2014 budget, approved by the Board, had been submitted to OMB and had been approved. There would now be an amendment to the budget for OMB review and approval, to include the \$20,000 for a fourth Visiting Scholar that was discussed and approved earlier in the meeting. Mr. Wynings noted that the annual outside audit had been taken over by a new accounting firm, with fees reduced about \$13,000. The process was delayed by the federal shutdown but is back on track, although the anticipated reports will be somewhat delayed.

Mr. Wynings commented that, as with the other aspects of the Finance Committee reports, the new VEF internal financial controls had also been discussed. Dr. McNamara stated that she would be responsible for implementation of the policies, and that she would address suggestions and recommendations made during the discussion, especially with regard to how the policies might affect staff. She indicated that she would invite comments from staff or Board members concerning improvements in the financial controls.

Ms. Quyen Vuong discussed three recommendations from the Finance Committee. First, in terms of adjusting major budget categories in the Board-approved budget, increases of 10% to 20% may be made on the approval of the Chair of the Finance Committee; increases above 20% in any major budget category must be approved by the Board. Increases of less than \$2000 in any general category top line do not need approval. This does not imply that the total approved budget amount may be increased. The purpose is to reduce the number of instances when the entire Board must be convened to review and approve a relatively small increase in a budget category.

Ms. Quyen Vuong explained the second recommendation, to establish a technology policy that would track the inventory of technology hardware (computers, cell phones, etc.) and establish a replacement schedule. Dr. McNamara commented that such a technology policy should extend beyond just equipment, and should address IT support (which is now handled mainly by very qualified IT personnel in Hanoi and a contractor in the U.S.) and IT security. One consideration is the fact that much of VEF's IT resides in Vietnam, and security must be a factor when operating in a foreign country.

The third recommendation addressed an expansion of the financial reporting to include resource allocation so that expenses in core activities can be tracked in greater detail (i.e., costs for New Fellows, Current Fellows, Visiting Scholars, the Pre-Departure Orientation, etc.) to see more easily the total amount of resources for each activity. Dr. McNamara noted that such a presentation was in place several years before, but had been changed, in part to conform to the GSA coding scheme. She indicated she could address the issue when the new finance director was in place.

On motion duly made and seconded, the three recommendations discussed were unanimously approved.

Finally, Ms. Quyen Vuong asked that staff provide a snapshot of accrued comp time and annual leave in order to get an idea of the total liability that VEF has in those two areas. There was a brief discussion about restrictions to provide certain information because of privacy issues. Dr. McNamara pointed out that the number would change every two weeks, but that she could have staff develop a summary.

Revised Policy on Compensation for VEF Staff, Isaac Silvera

Dr. Silvera explained that a revised policy with regard to compensation, and particularly management of comp time, was under consideration. Comp time must be exchanged for time off as soon as practicable, and balances should not be allowed to become excessive. However, he conceded that when VEF is under-staffed, greater demands are placed on the existing staff such that it becomes difficult to schedule time off. There was an observation that in the private sector salaried employees often work extended hours, well over the standard 40-hour work week. However, Ms. Wilson pointed out that federal law limits a federal employee's work time to no more than 40 hours a week, requiring that hours in excess of that number must be either paid at an overtime rate or be designated comp time, which then requires a similar period of time off. The regulation also specifies that you must balance comp time with time off within a year. Dr. Nguyen-Lam commented that there is a time management issue as well, that workload should be assigned with the realization that overtime (that is, earned comp time) must be taken into consideration by management when assigning work.

There was a discussion about personal experiences in working beyond the standard 40-hour week and the consensus was that a federal employee should be compensated if that additional work takes significant time, and if the employee feels the time worked is excessive he or she should discuss the issue with a supervisor, and that to expect employees to work additional hours without compensation may result in serious morale problems. There was also a brief discussion about the merits of working away from the office, a concept known as teleworking. Dr. McNamara suggested that requests from Board members for unplanned services can add to the workload burden. She suggested that all such requests be directed to her instead of individual employees. Dr. Silvera requested staff to develop recommendations that might alleviate some of the problems associated with the accumulation of comp time, including unreasonable demands on an individual employee's time.

Report from the Outreach Committee, Anhlan Nguyen

Ms. Anhlan Nguyen explained that the Outreach Committee had been formed about a year earlier to enhance recruitment of Fellows and to connect with VEF stakeholders. The first outreach effort was directed at the Vietnamese-American community, which numbers about 2.5 million in the United States. The first function was in the second largest community in

Houston, Texas, with financial support from Board Member, David Duong. There are discussions about a second similar event in California.

Ms. Anhlan Nguyen noted that the Board approved \$25,000 for outreach in the FY 2013 budget, and suggested it might be appropriate to provide the same funding for FY 2014. Ms. Gunawardena observed that an outreach program would probably be more appropriate if the expected lifespan of VEF was more than the few years that are actually left under the legislation. It should be carefully considered in the timeframe of closing the recruitment aspect of the VEF operation down within the next two years. She added that there is also a perception issue with regard to encouraging Fellows to remain in the United States when the purpose of the program is for them to return to Vietnam and make a contribution to education and commerce. Ms. Anhlan Nguyen commented that outreach is more than recruitment; it is a mechanism to support the Fellows who are continuing in the program, including promoting relationships in the academic community and facilitating networking between the Fellows, alumni, and that local area community.

Dr. Silvera suggested a small amount of funding to support the outreach program and, on motion duly made and seconded, the Board unanimously approved increasing the budget by \$10,000 and allocating that amount to the Outreach Committee. Dr. McNamara commended Ms. Anhlan Nguyen for her dedicated efforts to make contact with the Vietnamese-American community, including participating in a radio broadcast and her support for the outreach activities in Houston.

Ethics Report, Lynne McNamara

Dr. McNamara announced that VEF has passed the Office of Government Ethics (OGE) review process. She added that there was new information available at the VEF Online Library ethics section. Donna Brickers is the Designated Agency Ethics Officer (DAEO), and that position will be taken over by the incoming Administration Officer.

VEF Fellowship Program, Sandarshi Gunawardena

Ms. Gunawardena announced that, in response to a request from the Board made after the last meeting, a recommendation for the Professional Development Grant (PDG) program was included on the agenda as an action item. Currently a Fellow is given a PDG of \$1,000 each year until completion of the VEF program. The recommendation before the Board is to approve a new process by which each Fellow receives \$2,000 as a lump sum payment at the beginning of the program, and there are no further payments regardless of the number of years it takes the Fellow to complete the academic program leading to a degree. This would apply only to Fellows entering in the 2014, 2015, and 2016 cohorts.

In response to a suggestion that the \$1000 payment be made for each of two successive years, Ms. Gunawardena explained that the single payment would be more efficient and require less administrative involvement. She added that there are limits to what the money

can be used for – equipment (such as a computer or computer software), books, journal subscriptions, attendance at professional conferences, and other education-related expenses. When VEF looks at what the Fellows were spending the grant on, it turned out that in most cases it was purchasing a new computer several times over the years. Another consideration is that students are remaining in the program longer than the original projection of five years, so the PDG in effect becomes an incentive not to finish the program expeditiously. After consideration, the Board agreed that the \$2,000 limit was acceptable, but preferred to make the payment in two successive years. On motion duly made and seconded, the Board unanimously approved a revision to the Professional Development Grant program to provide \$1,000 to each Fellow in each of the first two years of participation in the VEF Fellowship program.

Academic Training Policy, Sandarshi Gunawardena

Ms. Gunawardena explained that VEF had received a communication from VEF Fellows about the Academic Training policy, which was changed in 2009. The policy before that year was to allow both pre- and post-doc Academic Training, 18 months of which could be either pre- or post-doc, and 18 months of which must be postdoc training. The policy was changed, effective with the 2010 cohort, to allow only postdoc training and a maximum of 18 months of Academic Training. Therefore, there are still Fellows who are eligible for the pre-2010 36-months of Academic Training, but all cohorts from 2010 on are only eligible for 18 months of postdoc training. The change in policy brought the VEF policy more in line with the policies of other federal agencies.

During discussion, there was a proposal that the policy be changed to allow a two-year option, consisting of the 18-month postdoc training and an extension/exception that would provide an additional 6 months of training. The rationale was that it would be more compatible with one-year employment contracts. Dr. McNamara stated that the proposal would result in added administrative burden, but that it could be accommodated if that was the Board's decision.

There was also discussion of the impact that a policy change would have on the closing down of VEF by 2018. To return to the 36-month policy might extend the obligation to operate VEF in support of Fellows for an additional number years, which would also involve a financial consideration. Finally, there was a discussion about the J-visa requirement that students return to Vietnam for two years, after which they could pursue whatever options were available. Part of the consideration was the mission of the program, which is to return educated graduates to Vietnam, versus the personal considerations that would apply to individuals if requests were considered on a case-by-case basis.

Ultimately there was no consensus and a motion was made and seconded to reinstitute the original policy of two 18-month academic training grants. That motion failed for lack of a majority vote.

Application and Selection Process

Ms. Anhlan Nguyen reported that her visit to observe the August interviews was rewarding and that the individuals involved demonstrated exceptional professionalism in getting through the interviews and making the selections. Ms. Quyen Vuong concurred.

Annual Conference, Lynne McNamara

Dr. McNamara expressed concern that funding for the 2015 Annual Conference was not made available in the proposed budget for that year. She expressed the hope that funds could be found perhaps as a result of savings in other areas. The conference, if scheduled, would occur in October and discussions are proceeding with the University of Iowa in the event that funding becomes available. The cost of the conference is about \$300,000 and it may be possible to use some of the savings that will accrue from the new Professional Development Grant scheme that was approved earlier in the meeting. Dr. McNamara proposed making the decision immediately, but because of the press of time the proposal could not be fully discussed and the issue was deferred until the next regular meeting of the Board.

VEF Alumni, Sandarshi Gunawardena

Ms. Gunawardena reported that the format for the last Alumni Conference had been changed to allow the alumni to form small task forces to pursue several projects. Some of the projects have made progress, some have not, partly because the alumni are scattered across Vietnam and hands on coordination is difficult. Some alumni have contributed to the Summer Course project, agreeing to participate in three of the courses. In the Best for Business project, alumni will support networking to promote business start-ups, and alumni recently conducted a business workshop in Ho Chi Minh City. Finally, alumni will be a helpful resource for the FIRST Project (*Furthering Innovation and Research in Science and Technology*) for the Ministry of Science and Technology (MOST). Dr. McNamara noted that MOST had arranged to meet with VEF alumni in November to discuss what the alumni are doing now that they are back in Vietnam.

Finally, Dr. McNamara commented that the Board had authorized \$10,000 for an Alumni Conference and the funds would be used to hold a “bare bones” meeting, probably in Hue, at which VEF would pay for the venue facilities, including lunch and dinner, but attendees would pay all of their own expenses to attend.

Capacity Building, Peggy Petrochenkov

This agenda item was deferred to the next meeting. Dr. Petrochenkov stated that she was preparing a report that could be distributed in January as a basis for discussion at the next meeting.

Dr. Silvera mentioned that VEF had made a proposal to the Vietnamese government that would result in more reasonable salaries for returning VEF academicians. The proposal recommended a salary guarantee of \$2,000 per month, \$500 from the university and \$1,500 from the government. The Deputy Prime Minister rejected the proposal based on the fact that it might appear to favor the U.S. program over other foreign exchange programs.

Operations Report, Lynne McNamara

Dr. McNamara stated that the 2012 Annual Report has been posted to the Online Library. Before it is released, the Board Chair will review it and Mr. Marshall will vet the content from the perspective of the State Department. It will then be released to the President and to Congressional members, as stipulated in the VEF legislation. Work on the 2013 Annual Report has already begun.

In terms of internal affairs, Dr. McNamara reported that Mr. Wynings and Ms. Brickers were leaving VEF at the end of the calendar year. Recruitment efforts for replacements had already begun.

VEF Events, Isaac Silvera

Dr. Silvera noted that, as usual, Board members are welcome to attend VEF functions and he invited indications of interest. Dr. McNamara stated that she would coordinate the process.

Future Meetings

Dr. Silvera noted that future meetings are scheduled for April 11, July 18, and November 21, all in 2014, and April 10, 2015.

At 4:00 p.m., the meeting was adjourned.

(Whereupon, the Committee reached a consensus to adjourn the meeting.)