

Vietnam Education Foundation
Minutes of the
Meeting of the Board of Directors
January 6, 2011
Embassy Suites, Razorback Room
Rogers, Arkansas

List of Attendances in Person:

- **VEF Board members:**
 - **Dr. Stephen Maxner (Chair)**
 - **Ms. Elizabeth Dugan**
 - **Mr. David Duong (via teleconference)**
 - **Mr. Matt McMahon (State)(via teleconference)**
 - **Mr. David Plack (State)(via teleconference)**

- **VEF guests:**
 - **Ms. Lesly Wilson (GSA Legal Counsel)**

- **VEF U.S. staff:**
 - **Dr. Lynne McNamara, Executive Director**
 - **Ms. Sandarshi Gunawardena, Senior Program Officer**
 - **Ms. Kristin Oberheide, Program Associate for Immigration and Operations**
 - **Ms. Lana Walbert, Director of Finance, Accounting, and Administration**

- **VEF Hanoi staff:**
 - **Dr. Phuong Nguyen, Country Director**
 - **Ms. Hanh Bui, Program Manager**
 - **Mr. Tu Ngo, IT and Data Manager**
 - **Ms. Que Nguyen, Assistant Director of Finance and Administration**
 - **Ms. Thanh Nguyen, Program Assistant**

Call to Order and Approval of Minutes – Dr. Maxner

Dr. Maxner called the meeting to order and, after introductions, called for approval of the minutes of the October 15, 2010, Board meeting. Minor wording changes were recommended by Mr. McMahon and Ms. Gunawardena, after which on motion duly made and seconded the minutes of that meeting were unanimously approved.

Executive Director's Top Line Report – Dr. McNamara

Dr. McNamara briefly mentioned the achievements of 2010 beginning with the fact that, for the first time, VEF staff fully managed the planning and execution of the VEF annual conference, the first of which was accomplished in January 2010 at Rensselaer Polytechnic Institute.. Before that, the National Academies had managed the annual conference and, moving the functions in-house to VEF, resulted in a substantial cost savings related to the conference.

Also in January, the Vietnam OpenCourseWare project was handed over to the Ministry of Education and Training, a positive step for MOET in assuming responsibility for the project and a positive step for VEF in that the cost of running the program was eliminated from the budget.

April saw the smooth completion of the GAO audit with very manageable follow-up requirements – the development of a staff handbook and expansion of VEF’s internal controls and risk management procedures. In May VEF co-hosted the Open Courseware Consortium Global Conference and was instrumental in establishing Creative Commons in Vietnam, which facilitated acknowledgement of intellectual property rights in Vietnam. July brought Kristin Oberheide to VEF, which increased staff support, especially for immigration requirements.

In August, the second Alumni Conference successfully took place and will become an annual event, and Chris Fussner agreed to chair and support the Fundraising Committee in its mission to develop an external source of funding to further support the VEF mission. Also in August, the U.S. Embassy invited VEF to co-host the annual Education Conference in Vietnam.

The annual external audit of VEF was conducted in October and there were no exceptions--a testament to the effectiveness of Ms. Walbert’s conscientious management of VEF’s finances. Finally, VEF remained an independent federal agency despite the various legislative proposals that would have changed that status. Dr. McNamara closed by mentioning the continuing goals for VEF: to focus consistently on quality and excellence, to improve staff communications skills through training and practice, to expand programs VEF programs and activities wherever possible, and to support the Board’s objective to establish a viable fundraising program.

Items for Board Approval

Touhy Regulations for VEF, Ms. Wilson

Ms. Wilson reported that VEF had received a subpoena seeking certain information, which triggered a legal consultation which, in turn, revealed that VEF did not have in place a Touhy regulation as required by law. Touhy regulations prohibit the unauthorized release of information by federal agency employees (in this case in response to the subpoena) and provide a procedure for centralized agency decision-making concerning how the agency will respond to a subpoena or other request for information or documents served on an agency employee.

Ms. Wilson explained that each agency is required to create a Touhy regulation that fits the agency’s needs; and such a regulation was written that specifies that a subpoena may only be served on either the Executive Director or the Chairman of the Board of Directors and that information may only be released

to an outside entity with the specific approval of one of those agency representatives. The underlying federal legislation gives the Department of Justice authority to enforce the Touhy regulations developed by the various agencies and to require a rationale for any information requested. Finally, Ms. Wilson explained that the VEF Touhy regulation would be published in the Federal Register as part of the process that makes its content open to the public.

Dr. Maxner invited comments and, hearing none, he called for a motion to affirm the Touhy regulation as presented. On motion duly made and seconded the regulation was unanimously approved.

VEF Policy on Staff Awards and Bonuses, Dr. Maxner

Dr. Maxner explained that, after discussions with Dr. McNamara and Dr. Phuong, there was consensus that a policy that provided benefits based on a percentage of remuneration to both the U.S. office staff and the Hanoi staff would not be appropriate because of the generally lower salaries paid in Vietnam. Therefore, a proposal for a more equitable formula will be developed and presented to the Board at a future meeting. Mr. Pappas commented that a fixed increase might conflict with the President's recent freeze of federal wages, and the Board agreed that VEF policy should not conflict with White House directives. Mr. Fussner noted that the inflation rate in Vietnam could be excessive, and Ms. Walbert agreed, noting that she tracks the cost of living in Vietnam biannually. It was noted that the Hanoi staff is paid based on a U.S. dollar rate, which is converted into Vietnamese dong when actually paid in Hanoi. That makes the real wage in Hanoi subject to money market fluctuations.

Finance Committee Report – Ms. Dugan

Ms. Dugan reported that the annual independent audit of VEF financial records was successfully completed and that Ms. Walbert stated at the January 4 Finance Committee meeting that expenditures are tracking to the approved budget. Ms. Walbert will visit GSA in Kansas City and that Ms. Que Nguyen and Mr. Tu Ngo will accompany her to receive orientation in the GSA procedures.

Ms. Dugan commented that the Finance Committee had discussed the long-term future of the VEF programs, especially with regard to assessing if and how much the numbers of Fellows, U.S. Faculty Scholars, and Visiting Scholars could be increased in the near term. A preliminary long-term budget will be prepared for Board discussion at the April meeting. Dr. McNamara noted that the annual \$5 million would continue until 2018, although there will be costs related to Fellows who continue studies past that date. She added that the legislation dictates that VEF will cease operations 120 days after the expiration of the last fellowship. The last doctoral fellowship could be granted in 2016, which might mean that that fellowship could last another 6-7 years, requiring appropriate financial support. There would also be the usual obligations during the time when

there are still active Fellows in the program – the Annual Conference, for example.

Ms. Dugan announced the future meetings of the Finance Committee – April 6 [later changed to April 4], July 14 (the day before the Board meeting to allow sufficient time for proper review of the annual budget), and November 18.

Fundraising Committee Report – Mr. Fussner

Mr. Fussner reported that 12 communications were sent to U.S. corporations doing business in Vietnam, mainly those headquartered in Singapore. Two negative replies had been received; two invitations for further discussion, with the remaining requiring additional follow-up. Ms. Dugan added that it might be appropriate to contact foundations that have a history of supporting activities in the Pacific Rim area. Dr. McNamara agreed that a discussion with Mr. Fussner and staff might result in a strategy to seek support from foundations. Mr. Pappas stated that he had contacted Cisco and Howard Hughes Medical Institute, and he would continue to follow up on those prospects.

There was a brief discussion that contributions might not be made by the companies with corporate offices in Vietnam, but that for tax reasons those contributions might originate either in the Singapore or the U.S. corporate office. It was also noted that, although VEF is fairly well-known among the academic community in Vietnam, there has been less success in creating the same awareness in the private business community. Dr. McNamara agreed that a stronger public relations program was needed, starting perhaps with the American Chamber of Commerce (AmCham) membership. She added that VEF is a member of both the Hanoi and Ho Chi Minh City AmChams. She also commented that the content of public announcements should be revised to include at least some of the human interest stories about the Fellows – some have won awards, obtained patents, etc. She noted that the Hanoi office had hired a PR firm at a nominal cost to help gain traction in the local media. Finally, Ms. Wilson offered a comment that announcements from a federal agency must be carefully worded so as not to appear to be solicitations for funding.

The longstanding issue of trying to obtain a local in-country bank account was discussed. Such an account is needed to obtain a tax refund from the Vietnamese government, which has been approved but only for deposit in a local bank account in the name of VEF. The alternative of using the State Department arrangement, which costs \$75,000 annually, is not appropriate because the refund is only \$40,000 and the State Department arrangement does not qualify as a local bank account in the name of VEF (State provides a repository for funds that can then be transferred to Treasury). Mr. Plack and Ms. Walbert noted that they would continue to pursue the issue. Ms. Walbert added that the State Department supports VEF establishing a local bank account, but the sticking point resides with the Treasury Department's South Carolina office.

Ethics Report – Ms. Walbert

Ms. Walbert announced that she would send the proper ethics registration forms to Board members shortly (which must be promptly signed and returned not later than February 15th), and a schedule of online ethics classes that the members could use to select a convenient class.

Programs Report – Ms. Gunawardena

Ms. Gunawardena announced that a new VEF brochure had been designed and printed and was now available for distribution. She turned sections of the Program Report over to members of the Hanoi staff.

VEF Media Publications

Ms. Que reported that a VEF calendar of events had been developed to support and maintain the relationship between VEF and the program participants, their families and others, who are part of the VEF program. The calendar includes a brief summary of programs and activities, and a significant number of photographs of those activities – the PDO, August Interview Mission, Alumni Conference, and Annual Conference, etc. The calendar has been distributed to the U.S. and Hanoi offices, the Fellows and Visiting Scholars and their families, Annual Conference attendees, to the Vietnamese ministries and others. Dr. McNamara mentioned that the calendar is a public relations endeavor and would also be sent to the Alliance universities and those other universities that have enrolled Fellows. The cost of the calendar was \$1.50 each.

Ms. Hanh commented that the Fellows and Scholars directory and list of achievements had been combined onto one publication, which includes information about alumni (contact information and employment, if available). A consent form was obtained from every Fellow, Scholar, and alumni whose personal information was included. Dr. McNamara added that the quality of the photos was significantly improved with this edition, which will be updated annually, and that there is a plan to put the publication on the web site. Dr. Maxner noted that the printed form should contain an index or other guide to the Fellows' fields, simply to make it easier to search. He added that a web-based format would allow a Google-type search, although it would be necessary to obtain a separate and specific consent from each Fellow to include personal information on an Internet-based publication.

8th Annual VEF Fellows and Scholars Conference

Ms. Hanh reported that 151 Fellows arrived at the University of Arkansas for the Annual Conference along with three Visiting Scholars, two U.S. Faculty Scholars, and two alumni. In addition, there were 12 conference speakers,

including the Vietnamese Ambassador to the United States and the Vice Minister of MOST, eleven representatives of Vietnamese delegations, and two representatives of the Vietnamese Embassy in Washington. Three VEF Board members, four Washington office staff members, and five Hanoi staff members were present. Ms. Hanh commented that three companies were represented at the annual Career Fair: VIETTEL Group, VNG Corporation, and Vietnam National University.

Board members offered comments about the Conference. Mr. Fussner stated that the poster session was exceptional, with the presenters actively discussing their projects with attendees. Ms. Dugan commented that the attendees were very involved in the conference sessions. Asked about participation in the conference by Arkansas students and faculty, Dr. McNamara explained that, although the University of Arkansas contact tried to involve such activity, it was very difficult since the school was out of session and there were few students and faculty available. Ms. Gunawardena added that there were about ten University of Arkansas students who volunteered to help, and they were very involved and enjoyed the experience, and the community itself was supportive from the beginning, welcoming the conference participants. Furthermore, it was noted that local businesses were actively involved in the program.

Ms. Gunawardena announced that the next Annual Conference would be held at Louisiana State University in Shreveport, and the 2013 conference would be at Florida State University in Tallahassee.

Exchange Programs

Fellowship Program

Ms. Oberheide reported that the program now has 247 Fellows, including 213 enrolled full-time in studies, 34 on Academic Training. Ms. Gunawardena commented that, for the first time, the newest cohort gathered at the conference to discuss issues that have affected them during the early part of their graduate studies. Most Fellows in the cohort were present and noted that language was the primary challenge, including the fact that at times the professors have accents that are difficult to understand. Other issues discussed included workload, housing, adjusting to roommates, making friends, and loneliness. Payment issues were mentioned, but VEF staff is prompt in addressing those problems with the universities, which are responsible for making timely payments to the Fellows. VEF staff provides guidance in terms of university and community support programs. In addition, the students indicated a desire to interact with alumni, and they now have that contact information. Dr. McNamara concluded that VEF staff is making a focused effort to provide support for Fellows as they adjust to academic life in the United States.

Dr. Phuong reported that the 2011 Process A selection is completed with the candidates having begun to submit applications to U.S. universities. They have the opportunity to take advantage of monthly advising meetings with VEF staff to assist them in submitting those applications and to take advantage of sessions designed to facilitate discussion among the new Fellows.

The Process B application will be available from February 10 to March 10, followed by application screening by VEF staff to assure that candidates meet the minimum requirements. The academic review will be completed by the National Academies in mid-March, with telephone interviews by VEF and National Academies staff in late March to assess language ability and commitment. Both Process A and B Fellows will be finalized by the April Board meeting for Board approval.

Dr. Phuong briefly outlined the 2012 application process that opens on February 10, with National Academies review in mid-April, followed by the August interviews/oral exams by U.S. panelists organized by the National Academies.

Visiting Scholars Program

Ms. Oberheide reported that there are now four Visiting Scholars in the United States, with a fifth who will begin in May after receiving a deferral in the starting time. Online application forms for the next cohort are available until February 7, with screening and review through February 25, and Board approval at the April meeting.

U. S. Faculty Scholars Program

Ms. Oberheide reported that there are five active U.S. Faculty Scholars. Two are teaching in Vietnam, two are relying on videoconferencing, and one is offering a course using a combination of on-site lectures and videoconferencing. A sixth is approved to begin teaching in the 2011 academic year. The timeline for the 2011 cohort allows applications until February 7, followed by screening and review of applications during the remainder of February and telephone interviews from March 2-10. Dr. McNamara noted that those telephone interviews are conducted at the U.S. office with participation by Dr. Phuong and the National Academies (usually Dr. Ray Gamble and Dr. Peggy Petrochenkov) and VEF U.S. staff. The Board will receive the final slate for approval at the April Board meeting.

Alumni Activity

Dr. Phuong commented that in the process of planning the second Alumni Conference, the planning group agreed to add a public service element to alumni activities. A visit to the Vung Tau orphanage project was made; and Dr. Cynthia

Chappell, who served on the Fellowship interview review panels and was a presenter at the Alumni Conference, volunteered to lead an effort to provide some financial support for the orphanage. VEF played only a facilitation role in bringing Dr. Chappell together with alumni, who may be interested in moving the project forward.

Concerning the next Alumni Conference, Dr. Phuong announced that the planning group was looking at three possible locations: Nha Trang, Da Lat, and Da Nang, all of which are considered appropriate to encourage alumni to attend. As before, the conference will take place immediately after the August interview mission, from August 12-14.

Online Management System (OMS) – Mr. Tu

Mr. Tu announced that a financial page had been developed to make it easier to make payments to universities and to track those payments. An alumni page was developed to enhance the tracking of alumni activities, including contact information and employment changes. Another project that is under way is the integration of independent software into the OMS, such as the VEF online standard operating procedures, to make it more convenient for staff. Finally, implementing the Secure Sockets Layer (SSL) certificate on the OMS has increased the security of its content.

Ms. Gunawardena commented that keeping the alumni continuously engaged in updating information within the OMS has been a challenge, and staff are now working to develop some tools that will encourage interaction, including the following: (1) a monitored chat room to provide a forum for informal discussions among alumni; (2) a mentoring program for alumni who may then, in turn, become mentors for Fellows; and (3) projects like the orphanage sponsorship that can be completely managed by the alumni. Additionally, she said, OMS will cease to exist when VEF is closed down, so there needs to be some kind of program that will provide a similar service to alumni.

Capacity Building

Dr. McNamara explained the importance of capacity building to VEF, describing the participation in the upcoming Education Conference, which has been sponsored by the U.S. Embassy, as an example. VEF provided agenda ideas to the Embassy, will contribute as co-host of the conference, and will provide office space and support to the conference coordinator appointed by the Embassy. About 300 invited guests will attend the free conference, half from the United States and half from Vietnam, selected because of their past contributions to Vietnam.

Dr. McNamara mentioned that VEF may try to fill a void by creating a publication that would identify cooperative programs and projects being

sponsored jointly by U.S. and Vietnamese universities and other institutions. The document would be available to the public.

Ms. Gunawardena reported that VEF staff manned an information booth at the recent Council of Graduate Schools annual meeting. Although a positive experience, the cost-benefit analysis suggested that the effort was expensive and those who visited the booth were already familiar with the VEF programs.

Following a suggestion by Dr. Maxner, since VEF is co-sponsoring the Education Conference, it would be appropriate for two or three Board members to attend. There was a discussion about opportunities for international travel and the Board By-laws requirements related to Board participation in events in Vietnam. Ms. Walbert confirmed that there was funding available in the approved budget for such purposes. On motion duly made and seconded, the Board unanimously approved funding for two members of the Board to attend the Education Conference.

Operations Report – Dr. McNamara

Internal Affairs

Dr. McNamara invited a comment about the GAO report requirements, and Ms Walbert stated that with regard to the risk management requirement, she had been in contact with several risk management companies and that a more complete report should be ready for a future Board meeting. Dr. McNamara added that not only is financial risk a consideration, but continuity of operations is part of the risk management plan. She noted that early on the VEF Board had decided that the staff in Vietnam should not include Americans in key positions just in case there was a political or health crisis that would result in a sudden departure of the Americans.

Concerning the legislation that might have changed the status of VEF, Dr. McNamara stated that there was little chance of any legislative change in the near future. It would require developing a new bill. With regard to personnel in both offices, Dr. McNamara reported that the Hanoi office is fully staffed and that the only vacant position in the U.S. office is for a Finance and Administration Assistant to support all staff, including support for Ms. Walbert in the finance area. Finally, a communications consultant has been hired to help train staff in communications skills.

External Affairs

Ms. Gunawardena explained that VEF had been invited to make a presentation at Catholic University, which has two Vietnamese students, neither in the VEF program. There was also a meeting with the president of The George Washington University, who indicated an interest in exploring an MOU with

VEF. Ms. Gunawardena also met with the president of the Washington Council for International Education, and she will make a presentation about the VEF exchange programs and international education opportunities in Vietnam at the Council's annual meeting in late January. As discussed earlier, VEF manned a booth at the Council of Graduate Schools annual meeting. It was noted that VEF is a member of that organization.

Ms. Hanh announced that VEF participated in the U.S Government Alumni Conference in December, at which exchange programs were discussed. The program was, in part, to acknowledge Ambassador Michalak's service in Vietnam and, for the most part, to celebrate the 15th anniversary of U.S-Vietnam cooperation.

There was a brief discussion about the difficulties some alumni have experienced in attempting to affiliate with the Department of State alumni association, and Mr. Plack agreed to continue his efforts to resolve the issue of recognition of VEF as an eligible federal program.

Dr. Phuong described the VEF participation in the creation of the Ceramic Wall, a celebration of Vietnam's 1,000th anniversary. The wall was created by professional artists in the New Hanoi Art Group and was recently completed. The plaque describing VEF has not been fully installed yet, and the project is nearing completion.

Finally, Dr. McNamara reported that VEF's participation in the Joint Committee Meeting in Hanoi in December is documented in minutes posted on the online library. VEF was involved in the section on science, research and education. She commented that another positive result of the VEF Annual Conference at Rensselaer Polytechnic Institute was RPI's negotiation of an MOU with the Vietnam Academy of Science and Technology, which will support Vietnam's interest in developing PhD graduates.

Old Business – Dr. Maxner

Under the category of old business, Dr. Maxner stated that letter to accompany the 2009 Annual Report to the President should be completed soon, and Dr. McNamara suggested that, in addition to the congressional leadership that usually receives the report, the previous congressional leadership who received the earlier reports should also receive the 2009 report.

Dr. Maxner confirmed future meeting dates: April 6 [later changed to April 4], July 15' and November 18 in 2011, and April 6, 2012.

(There being no further business, the meeting of the Board of Directors was adjourned.)