Workplace values are the guiding principles that are most important to the culture of Morehouse and to the way we work. Employees should use these values to assist them in their daily business processes not only when dealing with another, but also outside the College when faced with making ethical decisions, and as an example of one’s own integrity. For Morehouse, compliance is observing legal requirements and using internal policies and procedures and the basic ethical principles anchored in our values.

We often say that compliance begins with you and that you can make a difference if you choose. This simply means that we all are responsible for results (good or bad) and we can influence the outcomes in matters of compliance. It is important to understand that the most impactful influences on ethical behavior and compliance in the workplace are our values and culture.

At Morehouse, we have established a set of values that are very important in setting the tone for the College’s culture. These values identify what the College cares about. They should also align with your own personal ethical values. When this happens, we understand one another, everyone does the right things for the right reasons, and this common purpose helps employees build great working relationships. Values cannot be faked or taught, but they can be inspiring and contagious. If you act with integrity, ethical behavior is just a natural progression. However, when values are out of alignment, we may work toward different goals, different intentions and different outcomes. This can damage relationships, job productivity and creative potential.

As we end this academic year and anticipate the start of a new one, I encourage all employees to review the values we deem important on how

Cont’d on Page 2
Cont'd from Page 1—The Importance of Workplace Values

we work at Morehouse, what we do, how we accomplish it, and how we interact with each other.

Most importantly, they represent a resounding affirmation of who we are and the expectations that we have of all employees.

Along with our values, we have created the Code of Conduct as a set of rules and regulations for expected behavior for the College. It is also intended to help you act responsibly and to make right decisions in your daily work. It is the main set of rules for our Ethics and Compliance program.

In case you are not familiar with the College’s values, I have listed them below:

Accountability is taking responsibility for the consequences of one’s actions. When people know that they can count on you, they will respect you. At Morehouse, we live the truth that the buck stops with You!

Spirituality is the belief that everyone carries a spark of the Divine. As you ignite your spark into a flame, encourage others to do no less than the same. At Morehouse, we honor each individual’s spiritual path to greatness.

Community is a place where everybody is somebody. When you allow the thread of each person’s uniqueness to show through, the tapestry is made whole. At Morehouse, we live the truth that we really are all in this together.

Trust is having confidence in the integrity, ability, and good character of others and managing yourself in such a way that others have confidence in you. At Morehouse, we consciously look to the good in all people and in all situations.

Respect is a reflection of one’s intrinsic self-worth. How you feel about yourself is mirrored in how you treat others and how they treat you. At Morehouse, we embrace ourselves and each other as people of value.

Integrity is the essence of the individual—the purest part. The truer you are to yourself, the more valuable you are to the world. At Morehouse, we make a difference because we dare to be who we are.

Honesty is a commitment to the truth, no matter what. It is the toughest test of your courage and the surest measure of your character. At Morehouse, we challenge ourselves to conscientious candor.

Civility is a small investment that always yields big dividends. The extent to which you show courtesy to others is the extent to which they appreciate you. At Morehouse, we practice civility as a commitment to personal excellence.

Compassion is generosity of spirit that seeks to understand. It is a natural by-product whenever you imagine what it means to walk a mile in another’s shoes. At Morehouse, our hearts, as well as our heads, guide us.
NSF'S NEW GRANT GUIDE

Applicants for new NSF grants must comply with important new provisions in the agency’s revised Proposal and Award Policy and Procedures Guide (PAPP Guide), or the proposal will not be accepted. The revised PAPP Guide, released October 4, 2012 became effective for all new grants submitted or due on or after January 14, 2013, according to Jeremy Leffler, Outreach Specialist with the NSF’s Office of Budget, Finance and Award Management Policy Office.

One key change involves the Project Summary. Previously applicants on FastLane filled out one project summary text box. Now there are three text boxes—an overview of the proposal, a statement on intellectual merit and a statement on broader impacts—and applicants must not exceed 4,600 characters combined in filling out those fields. In other words, text boxes must be filled out or a project Summary must be uploaded, or FASTLane will not accept the proposal. Other significant changes include the following:

- Review Criteria is revised to incorporate recommendations from the National Science Board Review. (See pages 1 through 16 for a good discussion of the changes and reasons for them). For additional outreach and training materials, visit the revised Merit Review Criteria Resource site.
- Biosketch: "Publications" section renamed to "Products" to include data sets, software, patents, copyrights. Limitation of 10 publications/products still applies.
- Budget does not include senior personnel if no salary is requested; Federal negotiated indirect cost rates must be used.
- Facilities, Equipment and Other Resources include external resources and personnel (including non-funded Senior Personnel) available to the project. This form is required, even if no content. Text boxes have been removed.

Cont’d on Page 5

CONT’D FROM PAGE 1—COMPLIANCE TRAINING PROGRAMS

developed an on-line training program for it. This training will be rolled out in September 2013 at the beginning of the academic year.

We also will roll out a new Records Retention and Destruction Policy which will provide a retention and destruction schedule. This is important particularly in relationship to the retention and destruction of records related to federal grants. This will be rolled out this summer to business units.

Specific employees are currently completing the new online FERPA training module. Finally, we revised our New Hire Orientation Compliance training program and new employees are already using the revised program as a part of their New Hire Orientation training.

We will keep you informed of new policies and procedures and training opportunities as they are developed and approved by the senior management team.
Of the various legal incentives for organizations to adopt Compliance and Ethics (C&E) programs, none is more important than the possibility of avoiding criminal prosecution. Over the years, the Department of Justice (DOJ) has promoted the potential benefit of C&E programs in a number of ways, each time with an increasing degree of formality.

Under the Obama administration, there is a heightened focus on transparency and DOJ’s C&E policy now includes several significant changes.

First, there is a heightened expectation of C&E efforts. There is a focus on whether C&E programs are being applied earnestly and in good faith.

Monitoring and controls must be implemented and checked on a regular basis in order for such a program to be truly effective. Such monitoring ensures that controls are in place and that they are being used to deter non-compliance.

The standards create an expectation that compliance programs can be reviewed and revised as well as designed and implemented, underscoring the benefit to organizations of periodic program assessment by federal auditors and agencies.

Finally, there is an additional focus on the sufficiency of discipline for C&E violations. While these changes may not seem momentous, it is critical to note that these factors could be reviewed in what could be a life or death setting for an organization.

The system EPLS, which was formerly used to check the debarment or suspension status of a recipient of federal funds has migrated to sam.gov. SAM is the new System for Award Management and contains the listing of approved parties and individuals who can participate in federal award programs.

The College has a responsibility to ensure that all PIs/PDs, subrecipients, consultants and contractors are checked against the SAM list for persons and organizations excluded from participating in federal award programs.
**Subrecipient Monitoring for Grants**

The College is responsible for monitoring the programmatic and financial activities of its subrecipients in order to ensure proper stewardship of sponsor funds. It is important to ensure that all PIs/PDS and staff who have responsibilities for federal grants understand and adhere to federal requirements and with the provisions of any agreements that govern the subaward. In addition, department heads, deans, chairs, OSP, Budgeting and Grants Accounting and the Office of the Provost have specific responsibilities for subrecipient monitoring as well.

As a prime recipient of an award or subrecipient of a subaward, the College has responsibility, on an ongoing basis throughout the life of the award, to monitor the activities of subrecipients in accordance with the subaward, and to ensure that awarded funds are used for authorized purposes.

Here are some recommendations below for ensuring that we are in compliance with required monitoring efforts:

- Prequalify the Subrecipient by obtaining evidence of their commitment to participate in the project and abide by all of the associated terms and conditions.
- Ensure that the statement of work identifies the use of human subjects, if any, and all related IRB approvals, assurances and certifications related to such research.
- Review the subrecipient’s A-133 and other audit reports. Review any corrective action plan from subrecipient’s management in response to any audit finding.
- Ensure that there is not a Conflict of Interest by reviewing the subrecipient’s Conflict of Interest form for evidence of conflicts, managed or unmanaged.
- Check sam.gov to ensure that the subrecipient has not been suspended or debarred or otherwise excluded from the federal procurement process.

---

Cont’d from Page 3—New NSF Grant Guide

Clarifications

- Prior NSF support includes current NSF funding irrespective of funding topic or whether salary support was provided. Both intellectual Merit and Broader Impacts must be addressed.
- References section required, even if no references are cited.
- Post Doc mentoring plans will now be evaluated according to the Broader Impacts criterion.

The new PAPP Guide recognizes that FASTLANE automatically checks to determine whether an applicant submitted the project summary, data management plan, and if not, it will not be approved. You may download a copy of the new Guide by clicking on the link below:


You may also access the new NSF Guide from the OSP website and from the Ethics and Compliance website indicated below:

http://www.morehouse.edu/administration/ethics/links.html (Compliance)
https://www.morehouse.edu/administration/sponsoredprograms/index.html (OSP)
Morehouse EthicsLine Reporting

EthicsLine is the name of our confidential reporting telephone and web-based system for reporting a concern regarding business conduct and was first implemented in 2004. The purpose of the EthicsLine is first to ensure that you as an employee, student, business partner or anyone associated with the College has a place to report any inappropriate behavior or practices you may experience within the Morehouse community. Second, the EthicsLine provides guidance if you are in doubt about ethical issues. The College is committed to operating with integrity in full compliance with all applicable laws, regulations, policies and procedures and in compliance with our ethical values. The EthicsLine can be used to:

> report misconduct that has been observed or is suspected; and
> ask questions about Morehouse policies, or difficult issues of behavior or ethics, when the answers cannot be found elsewhere.

The College relies on you to speak up if you believe that you have observed unethical, illegal or suspicious behavior. When you speak up, you provide the information necessary to investigate and remedy a potentially damaging situation.

The EthicsLine is operated by an independent and impartial company. Anyone using it may remain anonymous. All matters reported through the EthicsLine are investigated. The College will not tolerate retaliation against anyone who files a report in good faith, regardless of whether or not the claim can be substantiated.

How To Use The EthicsLine

As an employee, student, business partner or anyone associated with the College, you may submit a report online at www.tnwinc.com/morehouse or by phone at 1-888-299-9540, 24 hours a day, seven days a week. Posters regarding the EthicsLine can be found throughout the campus along with NSF and NASA Fraud posters. These posters are in 12 locations throughout the campus in Gloster Hall, Kilgore Hall, the Physical Plant Building, Campus Police Building, Post Office Building, Nabritt Hall, Tech Tower, Archer Hall, Brawley Hall, Dansby Hall, Wheeler Hall, Sale Hall and the Leadership Center. We have an EthicsLine page on Tigernet that is accessible to all employees and students. In addition, every new hire is introduced to the EthicsLine during New Hire Orientation and receives a brochure and pocket card with information on contacting the EthicsLine. If you have any questions about EthicsLine reporting, please contact C. O. Hollis at ext. 8562 or Doris Coleman at ext. 7589.

We again remind you that you may access and file your concern(s) with the EthicsLine by email, phone. You may also choose to meet with the Ethics and Compliance Officer or the Chief Audit Officer to discuss and/or report any issues that you want to raise. Remember, that an ethical workplace starts with YOU! By acting with integrity every day, you help the College build a reputation for excellence and integrity.

7 Warning Signs of Waste, Fraud and Abuse

- Unethical Leadership
- Undue Personal Gain
- Improper Charging of Time and Labor
- Ignoring Award Terms & Conditions
- Insufficient Monitoring
- Inappropriate Transfers Between Budget Categories
- Disclosure of Confidential Information
- Inappropriate Procurement of Goods & Services
Morehouse Ethics and Compliance Employee Hotline

2013 Year-To-Date Hotline Report

INCIDENT REPORT SUMMARY

<table>
<thead>
<tr>
<th>YTD</th>
<th>Incident Report—Jan-May 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9</td>
</tr>
</tbody>
</table>

- Anonymous Reports 3
- Non-Anonymous Reports 6

CALL ACTIVITY SUMMARY

Total Calls 19

ISSUE TYPE SUMMARY

Total Issues Reported 9

- Kickbacks 1
- Policy Issues 1
- Retaliation 1
- Employee Relations 4
- Customer Relations 1
- Fraud 1