



Institutional Compliance and Integrity Program

Effective: 2022.08.01

I. Introduction

As members of the Sagrado community, we have a shared responsibility to support our mission and reputation by holding ourselves and other community members to the highest standards of ethical and lawful conduct in all our academic, student support, and business activities.

We must be aware of and follow the policies, standards, laws, and regulations that apply to our activities, report concerns, and work together to resolve them. We are responsible for our actions and our decisions not to act and be accountable to further the University's mission.

A comprehensive institutional compliance program integrates and coordinates all significant requirements with which the University must comply by law, regulation, or other binding rules and agreements; and to assesses and manages risks to avoid and correct deviations that may impact the University.

II. The Mission

The mission of Sagrado's Institutional Compliance and Integrity Program (the "Program") is to establish and maintain a comprehensive institutional compliance program that promotes a culture of compliance with the highest ethical principles in all areas of the University's activities to ensure full and responsible performance of our obligations in an ethical manner and with integrity to support and advance Sagrado's mission.

III. The Vision

The Program's vision is to develop a culture of compliance for management, teaching, research, academic, administration, and student support services staff based on: (a) legal regulations, (b) institutional policies and standards, and (c) best practices for the sound administration of the University.

The Program will be executed through the development, implementation and review of policies, procedures, and standards (collectively “Institutional Documents”) that seek to ensure that the University operates at all times in accordance with applicable law and regulations, applicable accreditation and licensing standards, the highest ethical standards, and institutional best practices.

IV. The Purpose

The Program’s purpose is to further Sagrado’s mission by:

- promoting an organizational culture that conducts operations and activities with integrity and ethically,
- furthering compliance with the applicable legal and regulatory requirements among the Sagrado community,
- advising the Sagrado community in best practices,
- preventing and detecting violations of laws, regulations and Institutional Documents,
- advising the Sagrado community on the nature of risks (e.g., fiduciary, reputational, legal/regulatory), and
- identifying and effectively managing risks that impact Sagrado.

The *Glossary of Terms* provides the definitions to the terms most commonly used in this Program.

V. Program’s Framework

The Program’s framework is based on the following elements:

- A high-level organizational structure and reporting lines to ensure an effective governance structure with well-defined and communicated roles and responsibilities across the University.
- Establish Institutional Documents and communicate them to the University community to promote operational excellence through ethical behavior.
- Provide training and education consistently, effectively, and in a practical manner as appropriate to an individual’s and a unit’s role and responsibilities.
- Establish and promote avenues for individuals to seek guidance or report potential noncompliant conduct without fear of retaliation.
- Monitor and audit periodically to detect deviations, establish a response to detected offenses, and implement corrective action plans to prevent further noncompliant acts.

A. High-Level Organizational Structure and Reporting Lines

Sagrado follows a decentralized compliance model coordinated by the office of Compliance, Audit and Institutional Integrity (“CAII”), and General Legal Counsel that oversees the execution of the Program and has a reporting relationship to the Board of Trustees. CAII connects with the University’s management through Compliance Liaisons in each unit or office that help ensure institutional compliance with applicable laws and regulations and all Institutional Documents. The Compliance Liaisons have shared compliance duties and responsibilities with a dotted reporting line to the office of CAII.

The high-level organizational structure and reporting lines is visually described in the organizational chart.

Roles and Responsibilities

1. Board of Trustees and Audit Committee

The members of Sagrado’s Board of Trustees have a fiduciary duty that requires them to have a general knowledge of Sagrado’s legal and regulatory obligations and how the University discharges these obligations through policies, procedures and standards, that lead to an adequate and robust internal controls system in all the University’s activities.

The members of the Board of Trustees exercise reasonable “oversight” to ensure that the Program operates effectively. The Board’s Audit Committee has a broad and effective oversight of the University’s operations to verify compliance with the applicable laws, regulations, and policies.

The Board appoints the President of the University who is responsible of overseeing the Program’s implementation. The University President appoints the University officers and supervisors. who have responsibility for implementing the Program in their respective operational areas.

The Board of Trustees has the authority to develop and enact governance documents (e.g., policies, procedures, standards, and guidelines, or other) and to request the University President and/or the Vice President of Compliance, Audit, and Institutional Integrity to develop and adopt such governance documents as it deems necessary and appropriate for the University’s orderly government. Accordingly, the Board of Trustees may review those governance documents and any amendments thereto identified for Board approval, or those adopted by the University that the Board may ratify from time to time.

2. Management

The University's officers and supervisors (as defined in this Program) are responsible of supporting and assisting in raising awareness of compliance and integrity and helping in the assessment and management of enterprise risk within the Sagrado's community. They are also responsible of ensuring that all functions are carried out in accordance with applicable laws and regulations, and the Institutional Documents.

3. Compliance, Audit, and Institutional Integrity (CAII)

The Vice President of Compliance, Audit and Institutional Integrity is responsible for overseeing the office of CAII and the Program's execution. The office of CAII is composed of the General Legal Counsel, Compliance Director, and the Internal Auditor and connects with the University's management through the compliance liaisons in each functional area to ensure institutional compliance with applicable laws and regulations, and the Institutional Documents.

The office of CAII's role and responsibility can be summarized as follows:

- Coordinate the University's ethics and compliance activities.
- Assess the adequacy of compliance activities, evaluate overall Program effectiveness, and recommend and implement modifications to the Program as necessary.
- Establish a mechanism to report compliance concerns free from fear of retaliation.
- Oversee and coordinate investigations of potential misconduct.
- Identify and evaluate potential conflicts of interest across the University.
- Provide compliance advisory services to administrative staff, and student services support staff, and faculty.
- Assist in the development of ethics and compliance related policies or practices.
- Assist in the development and delivery of ethics and compliance related training.
- Evaluate emerging ethics and compliance trends in higher education and implement best practices.
- Report the results of the Program's activities to the University's management and the Board's Audit Committee.
- Identify risks across the University and the responsible administrative office, student support services office, or academic unit.
- Assess the impact of risks to Sagrado's mission and operations.
- Coordinate with the responsible administrative office, student support services office, or academic unit for the development and implementation of a response or corrective plan.

- Monitor the identified risks, hold the responsible administrative office, student support services office, or academic unit accountable, and consistently scan for emerging risks.
- Assist in the communication and promotion of policies and procedures.
- Establish a formal process for reviewing reports of potential non-compliance, overseeing corrective action, and documenting outcomes.
- Establish ongoing monitoring activities to identify emerging compliance risks, assess the effectiveness of controls to prevent and detect non-compliance, and coordinate implementation of new controls and mitigations.

The office of CAII shall have access to all functions, records, properties, and personnel to: (a) investigate potential deviations from applicable law, and regulations, and the Institutional Documents, as well as any, and ethical misconducts; (b) evaluate and assess risks; and (c) enforce corrective plans.

4. Internal Auditor

The Internal Auditor provides independent, objective assurance and consulting services designed to add value and improve the University's operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The internal auditor also oversees and coordinates investigations of potential misconduct that may arise through the Confidential Hotline where the members of the Sagrado community may ask questions or report concerns about possible unethical behavior and violations of applicable law or regulations and the Institutional Documents.

5. Compliance Liaisons

Compliance liaisons are the owners and subject matter experts that reside within the administrative offices, student support services offices, or academic units. Compliance liaisons are responsible for the direct oversight and operations related to risk mitigation and monitoring activities associated with their respective compliance area. They are responsible of maintaining the head of the unit or office informed of all compliance matters including the review and approval of the Institutional Documents, trainings, the results of monitoring efforts, and best practices.

B. Institutional Documents

Our Mission requires that the members of the University community act in accordance with the highest ethical principles in all areas of the University activity. One of these ethical principles is the faithful compliance with the applicable laws and regulations as well as the professional criteria applicable to the University's different teaching, research, academic, administrative and student support activities.

Sagrado has Institutional Documents that promote operational excellence through ethical behavior and legal compliance.

In the performance of its responsibility, the office of CAII assists in the development of clear and well-drafted University Institutional Documents to meet Sagrado's regulatory requirements and business obligations, and to optimize our operations aligned with best practices in higher education.

The University community is responsible to know, adhere and comply with the procedures established by the University for the development and approval of University Institutional Documents that have an impact to university-wide operations and administrative staff, faculty, and student support services staff.

The approved University Institutional Documents shall be maintained in the electronic repository that is accessible to the Sagrado community and the public in the CAII page in the University portal at <https://mi.sagrado.edu/ics> and in Sagrado's web page <https://cumplimiento.sagrado.edu>. The physical signed copy will be kept in the office of CAII and is available for review upon written request.

C. Training and Education

To achieve an organizational culture of ethics, integrity and compliance, the University community needs to learn, understand, and adopt the spirit and the letter of the Institutional Documents.

The office of CAII assists in the development and delivery of training related to University Institutional Documents. Trainings will be developed using different teaching-learning technics appropriate for the attendees' role and responsibilities in the University. Trainings will also take into consideration diverse modalities (e.g., in person, videoconferences, online) to facilitate accessibility and attendance.

D. Communication and Advisory Lines

Sagrado has expectations of high ethical standards and adherence to policies, procedures, and other aspects of ethics and compliance from its administrative staff, faculty, and student support services staff, students, and contractors.

There are different avenues for individuals to seek guidance or to report potential noncompliant conduct without fear of retaliation and the office of CAII, particularly, has the following:

- *Confidential Hotline.* The Internal Auditor receives reports and complaints related to business and operations deviations.
- *Title IX.* The Title IX Coordinator receives complaints of sexual misconduct and discrimination because of sex.
- *Office of the General Legal Counsel.* The General Legal Counsel is available for reports and complaints of any nature that relates to the University administrative, student support services, and academic operations.

The office of CAII will investigate or refer to the appropriate administrative office or student support services office or academic unit for investigation, report, and follow-up for the timely resolution of the complaint.

E. Monitoring and Corrective Actions

Consistent and effective monitoring ensures that the University's administrative, student support services, and academic operations are performing their responsibilities ethically and with integrity to meet its regulatory and operational obligations and that appropriate and robust Institutional Documents are in place to mitigate risks and a potential impact.

The office of CAII is responsible for conducting periodic monitoring activities to identify actual or potential deviations. The internal auditor develops the annual monitoring work plan that is based on a comprehensive assessment of the University's areas of risk. In the event that an actual or potential deviation is identified, the internal auditor shall document and report such deviation and work in a corrective plan in collaboration with the vice president of the administrative office, student support services office, or the academic unit to mitigate the impact and correct and prevent future deviations.

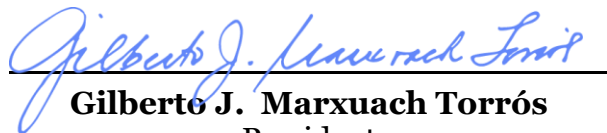
VI. Questions About this Program

Questions regarding the scope and interpretation of this Procedure should be directed to the office of Compliance, Internal Audit, and Institutional Integrity at cumplimiento@sagrado.edu.

Universidad del Sagrado Corazón reserves the right to interpret this Program in its administration, implementation, and enforcement. If there is any ambiguity in any provision of this Program, Sagrado reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact to Sagrado's operations and good faith, unless otherwise provided by law.

VII. Reporting Violations

Violations to this Program should be directed to the office of Compliance, Internal Audit, and Institutional Integrity at cumplimiento@sagrado.edu. Any violations to this Program will be addressed in accordance with the Sagrado's policies and procedures.


Gilberto J. Marxuach Torrós
President

Glossary of Terms

For purposes of this Program, these terms have the following meaning and applies both in singular and plural.

1. *Academic Policy* is an official statement of the principles, norms and/or criteria that will govern University activities in proper academic matters such as, for example, the curriculum, the grading scales, and the graduation requirements.
2. *Administrative Staff* refers to employees entrusted with an administrative activity as defined by the Employee Handbook.
3. *Administrative Policy* is an official statement of the principles, norms and/or criteria that will govern University activities in administrative matters, regardless of the operational units responsible for managing such matters. A policy may remain an administrative policy even if implemented by an academic or student affairs unit such as, for example, the purchasing policy.
4. *Compliance Liaisons* are responsible for the oversight and operations related to risk mitigation and monitoring activities within their respective administrative offices, student support services offices, or academic units.
5. *Faculty* refers to the members of our academic community entrusted with a teaching activity as defined by the Faculty Handbook.
6. *Guidelines* are statements that contain information about how to accomplish a task or reach a specified goal and are provided as suggestions; in other words, they are not mandatory, but a good idea. They may also contain an element of “best practice”.
7. *Institutional Documents* refers to policies, procedures, standards, and guidelines that have an impact on University-wide operations and employees (administrative, student support services, and faculty) and the student body.
8. *Institutional Policy* is an official statement of the principles, norms or criteria that will govern University activity in one or more matters. Such a policy must be adopted in accordance with proper institutional governance procedures.
9. *Institutional Procedure* is an official statement of the specific processes that the University will follow in order to implement an institutional policy. Such a procedure must be adopted in accordance with proper institutional governance procedures.
10. *Policies* refers are binding institutional norms and principles in a variety of formats such as handbooks and codes of direct application across the University’s units and offices that imposes binding obligations to the administrative staff, student support services staff, faculty, and students.
11. *Procedures* refers to an official statement that describes how to accomplish a task or reach a goal (e.g., directive statements) and are mandatory.

12. *Stakeholder* refers to a person or legal entity that is not employed by the University who have an interest in the University's Mission, institutional activities and/or operations (e.g., donors, sponsors, investors, grantors).
13. *Standards* are statements that establish a rule from a recognized authority outside the University (e.g., Standards for Accreditation and Requirements for Affiliation of the Middle States Commission on Higher Education).
14. *Students* refers to active undergraduate and graduate students from enrollment to graduation, students participating in continued education courses and programs, and high school students participating in dual enrollment programs or sponsored programs (e.g., grants), as well as non-enrolled students.
15. *Student Affairs Policy* is an official statement of the principles, norms and/or criteria that will govern University activities in matters specifically related to student life or conduct that are not covered by an academic or an administrative policy.
16. *Student Support Services Staff* refers to administrative employees, as defined by the Employee Handbook, entrusted with a student support activity.
17. *Supervisors* refers to University employees who have supervisory responsibilities over other University employees who report directly to them in an administrative office, academic unit, or student unit.
18. *Trustees* refers to the members of the Board of Trustees that is the University's highest governing body.
19. *University Community* is a broad term that includes any person or legal entity who has an interest in the University's Mission, institutional activities and operations (e.g., trustees, faculty, administrative staff, student support services staff, students, stakeholders, third-party, suppliers and vendors).
20. *University Officers* refers to University employees who hold leadership positions and are responsible for an administrative office, academic unit, or student unit such as:
 - President
 - Chief Academic Officer (Provost)
 - Chief Student Affairs Officer
 - Chief of Staff
 - General Counsel
 - Chief Communications and Marketing Officer
 - Chief Organizational Development and Human Resources Officer
 - Chief Financial Officer
 - Chief Operations Officer
 - Chief Compliance, Audit, and Institutional Integrity Officer
 - Chief Development Officer
 - Chief Information Officer.