

**Governance Document for:
The Center for Financial Security (CFS)
University of Wisconsin-Madison**

Last Update: August 2014

I. Purpose and Mission

To conduct applied multidisciplinary research that informs practitioners, policymakers and the general public on strategies that build family financial capacity and security over the life course. As a cross-campus, interdisciplinary center, this center will support and disseminate applied research that promotes individual and family financial security.

This center will serve as a platform for research and outreach that unites leaders across the UW-Madison campus and nationally. It facilitates scholarly activity, supports professional engagement and offers a convening core that would not be as feasible if these efforts were simply part of an existing individual UW department's work.

This center has a focus on households, consumers and personal financial decision-making. It works collaboratively with other centers, institutes and schools. This center defers to other units at UW-Madison on issues of corporate and commercial finance, as well as securities and other traditional finance issues. This statement and the emphasis on "family" financial security are intended to distinguish from other aspects of finance.

II. Goals and Activities

Broadly: to conduct applied research in partnership with scholars and practitioners in Wisconsin and nationally that further the understanding of family financial security issues. Specific goals include:

1. Leading the financial literacy research field with a focus on vulnerable households;
2. Conducting-high quality applied research on household finance;
3. Providing a platform for the dissemination and integration of best practices through outreach to practitioners and policymakers; and
4. Training the next generation of policy-makers and social science researchers on issues related to financial security.

The CFS supports faculty and students in departments across the UW-Madison campus. The CFS provides research opportunities for graduate and undergraduate students in cooperation with researchers on the UW-Madison campus, researchers and policymakers in state and federal government, foundations and community-based nonprofit organizations. The CFS provides students a place to work and collaborate, as well as formal opportunities to meet researchers, attend events and participate in published research. Undergraduate collaborations with community-based organizations include opportunities to provide counseling and education in local communities, as well as independent studies and internships.

III. Organizational Structure and Governance

The CFS is housed in the School of Human Ecology (SoHE). SoHE also has a strong partnership with UW Cooperative Extension and a commitment to outreach and the broader vision of the Wisconsin Idea. The department of Consumer Science is the home of the Personal Finance major and supports graduate students studying household finance.

The School of Human Ecology at the UW-Madison provides the physical home for the CFS as well as administrative oversight of the CFS director(s) and staff. The CFS Faculty Director is appointed by the SoHE Dean, as well as the Steering Committee (see below).

The SoHE Director of Centers Research and Public Affairs, working in concert with the SoHE Office of Human Resources and the SoHE Office of Business Services, supports strategic, staffing, and award administration workload of the Center.

The CFS Faculty Director is appointed for a three year term by the Dean. If the Director position is vacant the Dean will nominate an appropriate interim director. The Director will be evaluated at the end of each term by the SoHE Dean and the position term may be renewed at the Dean's discretion. An Associate Director of Research may also be appointed at the recommendation of the Faculty Director and approval by the Dean.

IV. Steering Committee

The "Steering Committee" is appointed by the SoHE Dean. The Steering Committee are UW-Madison based stewards who will serve as advisors on key issues that promote the visibility, collaborative interests and policies of the Center for Financial Security. The Steering Committee will serve as a link between the CFS and UW-Madison by helping to improve communication and advising the CFS towards its goals. The CFS Steering Committee will consist of at least six and no more than 9 members, including:

- Two faculty whose tenure homes are in SoHE
- Two affiliated faculty from other University units
- An Academic Staff appointee from SoHE
- A UW-Madison graduate student

The Steering Committee will meet at least annually. Primary duties include:

- Guide the strategic plan of the CFS
- Approve proposed Center Affiliates and Research Fellows, as further described below.
- Approve advisory 'Senior Scholars' panel as needed
- Identify partnership opportunities on and off campus

Committee membership is up to a 3-year appointment; however, individuals may serve more than one term at the discretion of the Dean with input from the CFS Faculty Director. Committee membership shall be limited to two consecutive terms, and a minimum of one-year absence from the board is required before beginning the next term of service. The Academic Staff appointee and graduate student appointee will have one

year terms renewable at the discretion of the Dean. Committee members who fail to meet their obligations may have their terms terminated by a unanimous motion of the remaining Steering Committee members. The Dean or a SoHE Associate Dean of Research or equivalent position may also serve as *ex officio members*.

V. Senior Scholars

The CFS also may have a “Senior Scholars” advisory panel made up of professionals chosen because of their value in providing advice and counsel. The panel is advisory in nature. It has four primary functions: 1) to provide advice and counsel on matters for which such external advice is critical, such as research issues critical to financial security, personal finance, and consumer protection; 2) to establish an important link between the government, research and practitioner worlds and the CFS; 3) to give advice on programs and projects of interest to the CFS focused on particular funders; and 4) to form an advocacy network for the CFS. Generally, meetings are held twice yearly in the spring and fall (in person or via teleconference).

Panel membership is for a 5-year, renewable term. Members who have served a full five-year term automatically become members of the Emeritus Board of CFS Scholars. The panel shall not exceed 5 total members and requires a minimum of 3 members. Members are recruited and appointed by the Faculty Director in consultation with the Steering Committee. Members may be recommended and selected on the basis of their expertise, willingness to devote valuable time, range of related experience, recognized leadership, career commitment, and interest in the UW-Madison Center for Financial Security and the programs it offers.

VI. Faculty Affiliates, and Center Research Fellows

Affiliations allow a faculty or staff member to be associated with the Center. All UW-Madison faculty whose scholarly interests and research activities intersect with those of the Center are eligible. Other researchers are eligible provided that they maintain a substantial connection with the activities of the Center or are part of funded research projects.

An individual faculty member who wishes to become a CFS Affiliate is asked to submit electronic versions of the following to the Faculty Director:

- A letter describing completed ongoing research related to the Center’s research mission
- A link to the candidate’s website listing representative work
- An up-to-date vita

The Faculty Director then determines whether to recommend to the Steering Committee that affiliate status be granted. Status is granted upon approval by a majority of the Committee and confirmed via a letter from the Faculty Director. Affiliates have 3-year terms which may be renewed using the same process as used for new affiliates. .

UW-Madison faculty who meet the above guidelines and are granted affiliation are referred to as “Affiliate”. Non-UW faculty or UW academic staff who meet the above guidelines are referred to as “Research Fellow” and have a term of one academic year, renewable annually.

Benefits of Affiliation

By affiliating with the Center, affiliates will have access to:

1. The opportunity to receive research and outreach funding
2. Access to CFS datasets with human subjects and data sharing approval
3. Publications of the Center and website as well as use of editorial services
4. Invitations to Center related events and activities
5. Training and professional development
6. Opportunities to conduct field research

Affiliate Status provides the following administrative benefits:

- Proposal budget and form development for proposals being brought through the Center
- Grants fiscal management
- Editorial services
- Hiring and other personnel issues
- Purchasing
- Travel arrangements
- Venue for dissemination/knowledge transfer
- Access to external stakeholders
- Collaboration and mutual exchange with other research groups
- Visibility and networking opportunities with colleagues and research sponsors

Zero-dollar appointments

When beneficial to outside entities, individuals may be granted non-paying appointments. This type of appointment allows an individual access to selected campus services.

Terms of Renewal

Affiliates have 3 year terms which may be renewed using the same process as used for new affiliates.

VII. Financial Support

The Center will be self-sustaining through federal and private grants and unrestricted gifts from sponsors on a local and national level. Support from the Graduate School and other units will be encouraged, particularly as cost-sharing for grants. Operational support may also be available based on SoHE formulas and strategies for supporting its Research Centers.

VIII. Administration of Grants

The SoHE Director of Centers Research and Public Affairs, along with any CFS or shared Centers staff as appropriate, will work with SoHE Business Services, the UW Foundation, UW Research and Sponsored Programs, the UW Office of Industrial Partnerships and sponsors to ensure that appropriate infrastructure is in place for CFS to negotiate and accept awards, setup and monitor accounts and sub-agreements, and manage close out and reporting.

Affiliates receiving grants have the option but not the obligation of running a CFS-related project through the CFS if the project is associated with the CFS mission and activities. Grant applications applied for using CFS resources and support are expected to run through the CFS although shared administration may be considered as is appropriate; CFS policies regarding indirect costs and focused on promoting collaboration will also apply. Affiliates who receive support from the CFS in applying for and/or obtaining funding are expected to publically acknowledge this role but have responsibility for assigning or sharing credit for extramural funding between the center and other units or departments.

IX. Staffing

Staffing will vary based on the needs of the CFS and funding opportunities. As projects expand additional positions may be added. Position titles include: Faculty Director, Associate Director of Research, Associate Director, Outreach Specialist, Research Specialist, Infrastructure Specialist, Project Assistant, and Administrative Assistant.

The CFS Faculty Director has overall responsibility for the CFS, including grant oversight; staff supervision and development; research and outreach strategies; cultivation of research projects; and promoting the CFS with key constituencies (faculty, affiliated departments, affiliated institutions or businesses, government agencies, policymakers and funders).

CFS Staff is responsible for overseeing CFS operations and budgets; providing leadership in recruitment, evaluation, staff development, IT and grants administration; developing grant reports; leading strategic marketing research initiatives; promoting the CFS at national conferences; overseeing the creation and maintenance of the CFS website; developing research funding and partnerships with external stakeholders; and developing and encouraging graduate and undergraduate student research. Roles of individual CFS staff in achieving these tasks will be set annually and reviewed regularly among full CFS faculty and staff.

The Faculty Director is evaluated (annually) by the Dean based on performance of primary duties and results of specific initiatives. CFS Staff are evaluated (annually) by the Faculty Director based on performance of primary duties and results of specific initiatives. Upon successful evaluation, each position will be renewed.

Future Faculty Director appointments will be lead by the Dean in consultation with the SoHE Consumer Science department and the CFS Steering Committee. When a new

Faculty Director search is initiated, an interim Faculty Director will be appointed by the Dean (an Steering Committee member may be asked to act as the interim Faculty Director). Future Associate Director appointments will be lead by the Faculty Director in consultation with the SoHE Consumer Science department and the CFS Steering Committee.

The SoHE Assistant Dean of Human Resources will be the primary contact for all academic hiring needs, including development of Position Vacancy Listings, title development, rates of pay, etc.

The Center will work with the Assistant Dean of Human Resources in conducting evaluations of Center employees. Evaluations take place annually.

- The **Faculty Director** is evaluated by the Dean based on performance of primary duties and results of specific initiatives.
- The **Associate Director, as applicable**, is evaluated by the Faculty Director based on performance of primary duties and results of specific initiatives.
- Other **CFS Staff** are evaluated by the Associate Director, or the Faculty Director in the absence of an Associate Director, based on performance of primary duties and results of specific projects.
- Graduate and undergraduate students will be evaluated by the Associate Director, as applicable, Associate Director of Research, as applicable, or Faculty Director, as appropriate, with input from individual faculty or staff members to whom they report.

X. Evaluation

The CFS will be evaluated every year by the Dean of the School of Human Ecology. An annual report of the Center's activities will be due in the Dean's office one month after the end of the University's fiscal year. After the Dean's initial review, the Annual Report will be distributed to the Steering Committee for evaluation and comment, and then on to other units involved in the center's activities (e.g., to the department homes of participating faculty). At a minimum, annual reports should be shared with affiliates and SoHE departments, as well as the Dean's of L&S, School of Business, and La Follette. The annual report shall consist of:

- mission and purpose
- center activities and trend data
- evaluation of center activities in view of mission/purpose
- discussion of funding that was received and funding proposals
- an evaluation of challenges and opportunities
- any proposed changes
- report on personnel and affiliates

Additionally, a brief (one page) interim report should be submitted annually to the SoHE Dean at the end of each calendar year.

Reports will include annual tracking of information related to mission-focused activities (e.g., events hosted, number of participants served in outreach efforts, grants administered).

FIVE YEAR REVIEW. Every five years, the UW Provost will initiate a request to deans for a summary report on center activity since the prior review. The SoHE Dean will review the list of centers and use the annual reports on file or any other appropriate mechanism established by the school/college to determine if the centers are all still active. All active, approved centers will appear on the official list of centers, which signifies that they may represent themselves as recognized UW-Madison entities.

XI. Life Cycle

Recent events have highlighted the urgency of understanding consumer financial choices in the context of a mortgage crisis and severe recession. This context most certainly will evolve, and the CFS will be agile to respond to the changing demands on the field. Given the aging demographic of the US and the rapid changes inherent in the financial industry, the CFS mission will continue to be paramount even as the economy recovers.

Given the continued growth of the sector, we do not expect the CFS to dissolve in the foreseeable future, even in the absence of SSA FLRC funding. We do not foresee the CFS evolving into a department, as it is a research center across disciplines. Rather, we see the CFS working in tandem with departments to understand and strengthen the field.

The Dean of SoHE may appoint up to three evaluators external to the Center to conduct a review no more than every three years and no less than every five years. The evaluation committee shall review CFS reports, interview staff and Steering Committee to draft a report on the status of the CFS and to recommend its continuation. The evaluation should consider the following criteria:

1. Mission relevance and interest to faculty
2. If the center is fulfilling its mission and if not what improvements are needed
3. The extent to which faculty and researchers are active and supportive
4. The volume and quality of funded research (financial viability)
5. The quality and stability of the faculty director and Steering Committee

If the CFS faculty director position is vacant and unfilled for 12 months, an external review will be required. If no faculty director can be identified to lead the CFS, termination of the center would be required. In this event, any funded projects would be completed, no further funding would be sought or applied for, and faculty and staff appointments would not be renewed. The process of termination would take about 24 months as positions and projects expire.

Request for discontinuation will be submitted to the SoHE APC by remaining faculty or the Dean. If the center is deemed to not be viable, the SoHE Dean may recommend discontinuation to the APC. Approved requests will be forwarded to the provost for approval by the UAPC.

XII. Faculty and Staff Governance

Within three months of the formalization of the CFS, the SoHE Dean will appoint the Steering Committee. The Committee will then approve the initial slate of faculty and staff affiliates. This governance document will then be reviewed by all affiliates (Steering Committee and Center affiliates) and approved by a majority vote. Every five years, aligned with CFS evaluation activities, affiliates will have an opportunity to review the governance document, propose amendments and pass amendments with a majority vote. The Steering Committee may also initiate such amendments at any time with a majority vote.