

Board of Trustees Role and Responsibilities

Board of Trustees Retreat

Nicole Pride

July 9, 2015



North Carolina Agricultural and Technical State University



Trustees as Fiduciaries

Association of Governing Boards (AGB)

- Fiduciary—One who holds some asset(s) in trust for another and is charged to act beneficially on behalf of the other in managing that asset
- The Asset—The college/university you govern, including mission and identity, property, resources and educational product
- For Whom—Founders, sponsors, students, families, donors, alumni and the public



Fiduciary Duties

- Duty of care
 - » Act in good faith for best interests of the institution
 - » Act reasonably, competently, and prudently
- Duty of loyalty
 - » Put interest(s) of the institution above all else
 - » Avoid acting from self-interest; no self-dealing
 - » Conflict of loyalty
- Duty of obedience
 - » Obligation to advance mission
 - » Duty to act ethically and consistent with mission
- Serve a public purpose



Consequential Governance

Adding Value Where It Matters Most

- Focus on accountability
- Board structure should facilitate a focus on the things that matter
- Strategy over reports—future over past
- Board leads in advocacy for higher education value proposition
- Defend board independence—avoiding external influences



Consequential Boards Must:

- Add value and lead restoration of public trust in higher education
- Add value to leadership and decision making through their role as institutional fiduciaries
- Improve shared governance and board-president relations



Consequential Boards Must:

- Strengthen board effectiveness through purposeful member recruitment, orientation, board composition, and removal of members for cause
- Focus board time on issues of greatest consequences to the institution, elimination of time spent on reviewing routine reports
- Enforce board accountability, acting as exemplars of the behavior and performance expected of their constituencies



Effective Governing Boards

- Establish, disseminate, and keep current the institution's mission
- Select a chief executive to lead the institution
- Support and annually assess the performance of the chief executive, and establish and review the chief executive's compensation
- Monitor the progress of the strategic plan
- Ensure the institution's fiscal integrity, preserve and protect its assets for posterity, and engage directly in fundraising and philanthropy



Governing Boards

- Ensure the educational quality of the institution
- Preserve and protect institutional autonomy and academic freedom
- In concert with senior administration, engage regularly with the institution's major constituents
- Conduct the board's business in an exemplary fashion and with appropriate transparency; ensure the currency of board governance policies and practices; and periodically assess the performance of the board, its committees, and its members



Board Committee Structure

Current	Proposed
<ul style="list-style-type: none">▪ Academic Affairs▪ Student Affairs▪ Human Resources▪ Audit▪ Endowment▪ Executive▪ Business Affairs▪ University Advancement	<ul style="list-style-type: none">▪ University Affairs<ul style="list-style-type: none">» (Academic Affairs and Student Affairs) Reporting may include: DORED, Athletics, and HR▪ Risk Management, Audit and Compliance▪ Endowment▪ Executive▪ Business Affairs<ul style="list-style-type: none">» Reporting may include: Information Technology Services (ITS)▪ Advancement and External Affairs▪ Governance



Board Self-Evaluation

Purpose

- A process that allows the Board of Trustees to examine their own performance and improve the way they go about their work
- Reflect on how well they are meeting their responsibilities
- Focus on governance issues, rather than day-to-day operations of the institution



Board Self-Evaluation

Sample Structure

- Interviews, questionnaires or both
- Online self-assessments for quicker turnaround and ensured confidentiality
- Asks relevant and clear questions; collects systematic feedback; and makes use of the information for developmental purposes, not as a report card
 - » Board activity
 - » Mission and purpose
 - » Governance/partnership alignment
 - » Board organization
 - » Board meetings
 - » Board membership
 - » Administration and staff support

