Refresher on the Fundamentals of Board Governance
# Fiduciary Duties of Trustees

<table>
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<tr>
<th>Care</th>
<th>Loyalty</th>
<th>Obedience</th>
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<tbody>
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<td>Exercise due diligence, care and skill in determining actions in the best interests of the university</td>
<td>Act in good faith with the best interests of the university in mind</td>
<td>Ensure the university complies with applicable laws and ethical violations</td>
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<td>Regularly attend, prepare and participate</td>
<td>Further the university’s goals and not the trustee’s personal or business interests</td>
<td>Ensure the university’s resources are dedicated to the fulfillment of its missions</td>
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<td>Fiduciary responsibility for the assets, finances, and investments, as well as the quality of the academic, research, and outreach programs</td>
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RESPONSIBILITIES OF INDIVIDUAL TRUSTEES

• Safeguard the university’s assets and foster its capacity to serve others

• Speak candidly, foster openness and trust, respect the opinions of others

• Remember that the Board Chair speaks for the Board and the President speaks for the University

• Avoid personal agenda

• Support the President while exercising critical judgment

• Distinguish between management and governance issues

• Avoid even the perception of conflict of interest

See: Responsibilities of Individual Trustees Policy
Delegation of Authority

• Delegates authority to President for all activities that further the operation of the university

• Certain activities reserved to the Board such as:
  • Presidential hiring, compensation, evaluation
  • Changes to bylaws, mission of university
  • Issuance of bonds
  • Adoption of budget and determination of tuition and fees

See: Delegating Authority to the University
Ethics & Conflicts of Interest

Board Policies
- Trustee Code of Ethics
- Trustee Conflicts of Interest & Recusal

Oregon Ethics Law
- Use of Office
- Gifts
- Conflicts of Interest
- Nepotism
- Campaigning and Lobbying
- Annual Statement of Economic Interest

BOT agenda item 8c
Use of Office

• May not use your position to obtain financial benefit or avoid financial detriment

• Prohibition applies to you, as well as your relatives and members of your households
• May not solicit or receive, directly or indirectly, any gift or gifts with an aggregate value in excess of $50 from any single source that could reasonably be known to have a legislative or administrative interest in decisions made by the public official.
• Prohibition extends to relatives and household members.
• “Gift” = something of economic value given to a public official that is not extended to others who are not public officials on the same terms and conditions
• “Legislative or administrative interest” means an economic interest, distinct from that of the general public, in any matter subject to the decision or vote of the public official acting in the public official’s capacity as a public official.
GIFTS - EXCEPTIONS

Exceptions include, but not limited to:

• Receptions, meals or meetings when acting in official capacity
• Entertainment incidental to main purpose of event or where acting in official capacity for ceremonial purpose
• Payment of reasonable food, travel or lodging expenses by another public body if officially representing OSU
• Unsolicited token or award of appreciation (e.g. plaque, desk item)
• Gifts in usual/customary practice of your private business
• Gifts from relatives/household members
CONFLICTS OF INTEREST

Participation in official action that could or would result in financial benefit or detriment to you, your relative or a business with which either is associated.

Two types of conflicts:

- Potential ("could") – Must announce and may participate
- Actual ("would") – Must announce and refrain/recuse
Nepotism

• May not participate in any interview, discussion or debate regarding the appointment, employment or promotion of a relative or member of the household.
• May serve as a reference.
• May participate if relative or member of household is applying for or in an unpaid volunteer position.
Campaigning and Lobbying

• May not, in your OSU capacity, promote or oppose election petitions, candidates, political committees, or ballot measures. (You may do so in your personal capacity.)
• May engage in discussions/actions to influence legislators and other state actors to advocate for policy/legal agendas to benefit OSU
• OSU must register any public officials acting on its behalf who spend either 24 hours or $100 in one calendar quarter on lobbying activities (e.g., attempting to influence legislative actions)
ANNUAL STATEMENT OF ECONOMIC INTEREST

• Required on or before April 15 of each year.
• Process is managed by the board secretary.
Questions?