Refresher on the Fundamentals of Board Governance

BOT Agenda
Item 7c
<table>
<thead>
<tr>
<th>Care</th>
<th>Loyalty</th>
<th>Obedience</th>
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<tbody>
<tr>
<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
- Campaigning and Lobbying
**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 accept gifts from any source with an economic interest, distinct from that of general public, in any matter subject to decision by the Board

• “Gift” = anything of economic value provided without consideration of equal value which is not provided to others who are not public officials on the same terms

• Prohibition extends to relatives/household members
GIFTS, CONTINUED

Exceptions include, but not limited to:

• Gifts with aggregate value less than $50 per year/source
• Gifts from relatives/household members
• Gifts in usual/customary practice of your business
• Entertainment incidental to main purpose of event
• Entertainment where acting in official capacity
• Cost of admission/food/beverage when representing OSU at reception/meal/meeting
• Payment of reasonable expenses by another public body if officially representing OSU
“Conflict 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 conflicts ("could") – Must announce and may participate
- Actual conflicts ("would") – Must announce and refrain/recuse
# Campaigning and Lobbying

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<tr>
<th>Campaigning</th>
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<td>You may not, in your OSU capacity, promote or oppose election petitions, candidates, political committees, or ballot measures.</td>
<td>You may engage in discussions or actions to influence legislators and other state actors to advocate for policy or legal agendas to benefit OSU’s interests.</td>
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<td>You may only do so in your personal capacity.</td>
<td>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).</td>
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Questions?