

SECTION 4: Governing Board

- 4.1** The institution has a governing board of at least five members that
- (a) is the legal body with specific authority over the institution.
 - (b) exercises fiduciary oversight of the institution.
 - (c) ensures that both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, personal, or familial financial interest in the institution.
 - (d) is not controlled by a minority of board members or by organizations or institutions separate from it.
 - (e) is not presided over by the chief executive officer of the institution.
- (Governing board characteristics)* [CR]

Rationale and Notes

The institution's governing board holds in trust the fundamental autonomy and ultimate well-being of the institution. As the corporate body, the board ensures both the presence of viable leadership and strong financial resources to fulfill the institutional mission. Integral to strong governance is the absence of undue influence from external sources.

The authority of the board is established in official documentation. The board is aware of its fiduciary responsibilities and carries them out based on accurate information about the operations of the institution. Members of the governing board act with authority only as a collective entity.

In order to ensure the objectivity of the board's collective interests, care is taken to restrict the potential for conflicts of interest to affect decisions and to ensure that the board's independence is maintained. This is especially important when it comes to the role of the presiding officer of the board.

NOTE

An institution is required to provide narrative and supporting documentation for each of the expectations embedded in the requirement above. Institutions may want to include subheadings in their narratives to ensure all parts of the standard are covered. The size of the board can be included under part 4.1(a).

For military institutions authorized and operated by the federal government to award degrees, responses to Standard 4.1 should address the following:

- 4.1(a) The institution has a public board of at least five members that which has broad and significant influence on the institution's programs and operations and plays an active role in policy-making.*

- 4.1(b) *The board ensures that the financial resources of the institution are used to provide a sound educational program.*
- 4.1(c) *The board ensures that both the presiding officer and a majority of the other members are neither civilian employees of the military nor active/retired military. Both the presiding officer of the board and a majority of other voting board members are free of any contractual, employment, personal or familial financial interest in the institution.*
- 4.1(d) *The board is not controlled by a minority of board members or by organizations or interests separate from the board except as specified by the authorizing legislation.*
- 4.1(e) *The board is not presided over by the chief executive officer of the institution.*

Questions to Consider

- What is the structure of the governing board and its committees?
- How are governing board members and the presiding officer elected or appointed?
- How are board members apprised of their responsibilities, including fiduciary responsibilities?
- What evidence is there that the governing board controls the institution?
- How often do the governing board members meet and is their agenda appropriate for their responsibilities?
- What is the process to vet board members for their possible financial interests in the institution? Who keeps track of this information?
- Is there an executive committee? If so, how does the executive committee report to the full board?
- How is a quorum defined?
- What safeguards are in place to prevent control of the board by a minority of members?
- How is the board's presiding officer selected, and who is the presiding officer?
- What is the relationship between the institution's chief executive officer and the institution's governing board?

Sample Documentation

- Organizational chart that shows the relationship of the governing board to the institution. This is especially important when board functions do not reside within a single board.
- Bylaws, charter, articles of incorporation, enabling statute, or other documentation to establish the legal authority of the governing board.
- A list of the names of all board members with their occupations, terms of office, and their contractual, employment, personal, or familial financial interests in the institution.
- For private, for-profit institutions, a list of individual stockholders who hold more than 5% of the stock, or the top 20 stockholders.

- Minutes of governing board meetings and executive committee meetings.
- Documents used in ethics training and for conflict of interest disclosures of board members.
- Evidence on how board members receive orientation to their duties.

Reference to SACSCOC Documents, If Applicable

SACSCOC Policies: [Integrity and Institutional Obligations to SACSCOC](#)
[Governing, Coordinating, and Other State Agencies: Representation on Evaluation Committees](#)

SACSCOC Position Statement:

[The Impact of Budget Reductions on Higher Education](#)

Cross-References to Other Related Standards/Requirements, If Applicable

- Standard 4.2.a (*Mission review*)
- Standard 4.2.b (*Board/administration distinction*)
- Standard 4.2.c (*CEO evaluation/selection*)
- Standard 4.2.d (*Conflict of interest*)
- Standard 4.2.e (*Board dismissal*)
- Standard 4.2.f (*External influence*)
- Standard 4.2.g (*Board self-evaluation*)
- Standard 4.3 (*Multi-level governance*)
- CR 13.1 (*Financial resources*)

4.2.a The governing board ensures the regular review of the institution’s mission. *(Mission review)*

Rationale and Notes

The institution’s governing board formally approves and periodically reviews the institution’s mission statement. The board, in its review, reaffirms the mission statement and whether changes are made, thereby maintaining a cognizance of the previously agreed-upon scope of institutional activities and ensuring that institutional policies, procedures, and activities remain compatible with and included in the mission statement.

Questions to Consider

- Is review of the mission statement a regular expectation of the governing board?
- What is the process for mission review and approval of changes?
- What event or events trigger a review of the mission of the institution?