

# Middle Tennessee State University

## Board of Trustees Policy

### Code of Ethics

#### **Section 1. Governance Responsibilities**

- 1.1 Public Trust.** The Board of Trustees (Board) of Middle Tennessee State University is responsible for the governance of the University. Board members hold a position of public trust and are expected to carry out their governance responsibilities in an honest, ethical, and diligent manner. Pursuant to T.C.A. § 49-8-204, this policy applies to and governs the conduct of all members of the Board.
- 1.2 Welfare of the Entire University.** Board members bring diverse backgrounds, experiences and expertise valuable to the governance of the University. In carrying out their duties, Board members must keep the welfare of the entire University paramount over any other interest.
- 1.3 Duty of Care.** Board members must discharge their duties, including duties as members of committees, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Board member reasonably believes to be in the best interest of the University.
- 1.4 Time Commitment.** In undertaking the duties of the position, a Board member shall make the commitment of time necessary to carry out his/her governance responsibilities. Board members must regularly attend and actively participate in Board and committee meetings and special assignments.
- Failure to attend three regular meetings in succession of the Board or of a committee on which the Board member serves shall be cause for the Board to consider the Board member's removal.
- 1.5 Due Diligence.** Board members shall undertake with due diligence a critical analysis of the risks and benefits of any matter coming before the Board for action. Board members shall promote a culture of constructive debate about major initiatives and transactions and shall require the University's administration to provide information necessary to carry out their duty of care to act in the best interest of the University.
- 1.6 Legal Authority.** Except as otherwise provided by law or bylaw, Board members shall have no legal authority to act outside of Board meetings in their capacity as Board members. A Board member shall avoid acting as a spokesperson for the entire Board unless specifically authorized to do so. When not participating in Board or committee

meetings, Board members enjoy the same rights and privileges of any citizen of the State of Tennessee.

## **Section 2. Conflict of Interest**

- 2.1 Purpose.** Board members must perform their duties and responsibilities with objectivity and integrity consistent with their fiduciary responsibilities to the University. Board members must place the University's interests ahead of their private interests. Therefore, conflicts of interests, both real and perceived, must be identified and avoided. A conflict of interest is a personal interest, financial or otherwise, that might impair or reasonably appear to impair a Board member's independent, unbiased judgment in the discharge of his/her responsibilities to the University.
- 2.2 Prohibition.** T.C.A. § 49-8-203(g), which applies exclusively to the Board, provides that it is unlawful for any member of the Board to be financially interested in any contract or transaction affecting the interests of the University, or to procure, or be a party in any way to procuring, the appointment of any relative to any position of financial trust or profit connected with the University. A Board member who violates these prohibitions is subject to removal by the governor or the Board. Board members shall not use the authority, title, prestige, or other attribute of the appointment for personal benefit or gain for themselves or for any relative.
- 2.3 Acknowledgement and Disclosures.**
1. Within 30 days of appointment and thereafter on or before January 15, each Board member shall submit to the Board Secretary, a written certification that he/she has read the Code of Ethics and acknowledges his/her responsibilities under this policy.
  2. Any time a Board member believes a conflict of interest or ethical violation may exist with any Board member(s), including himself/herself, the Board member shall immediately submit a written disclosure of the facts and circumstances surrounding the situation to the Chair.
  3. The Executive and Governance Committee shall evaluate the disclosure and determine what, if any, action is necessary. In no case shall a member who is involved in a potential or alleged violation of this policy participate in the disposition of the matter.
  4. When a Board member is in doubt as to the proper interpretation of this policy or whether a disclosure is required, the Board member is expected to seek the advice of the Chair or his/her designee.
- 2.4 Gifts, Favors, and Gratuities.** Board members shall not knowingly accept or solicit any gift, favor, or gratuity from any person or entity under contract with the University or

seeking a contract with the University. Board members shall not knowingly accept or solicit any gift, favor, or gratuity from any person or entity, including another Board member, which might affect or have the appearance of affecting a Board member's judgment in the impartial performance of the duties of the appointment. However, this section shall not be construed to apply to a Board member's incidental benefit from another Board member's gift of money, property, or services to the University or to any benefit commonly available to Board members by virtue of the office. Nor shall this section be construed to prohibit acceptance of benefits from the University in connection with donations to the University.

- 2.5 Expenses.** Board members serve without compensation. However, they are entitled to receive reimbursement for expenses incurred while representing the University in their official capacity.

### **Section 3. Penalty for Violation**

- 3.1 Hearing.** A Board member accused of a material violation of the Code of Ethics shall be afforded a due process contested case hearing in accordance with the Uniform Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.
- 3.2 Removal.** If a contested case hearing results in a finding that a Board member materially violated the Code of Ethics, the Board may remove the Board member from the Board by a two-thirds (2/3) vote of the Board. Upon removal, the position shall be considered vacant, and the vacancy shall be filled as provided by law.

Effective Date: June 5, 2017.

Revisions: None.