



## GUIDELINES GOVERNING BOARD MEMBER RESPONSIBILITIES

### ***Purpose:***

To set forth clear guidelines for members of the Board of Governors concerning their responsibilities and conduct as board members, and to provide a mechanism for recognizing, disclosing and resolving potential conflicts of interest.

### ***Principles:***

- Members of the Board of Governors must have as their principal concern the welfare of the university and its community of faculty, staff, students and alumni. In particular, the board's concern is for matters respecting "the management, administration and control of the university's property, revenues and financial affairs," with which the board is charged under the *University of Saskatchewan Act 1995*. *The Interpretation Act* requires that board members act honestly and in good faith, exercising stewardship over the university's resources with a view to the best interest of the university.
- In all of their university-related activities, board members are expected to conduct themselves at all times with the highest ethical standards in a manner that will bear the closest scrutiny.
- Board members are expected to exercise independent judgement and may not act as agents of any person or organization.
- For the effective working of the board, there must be a culture of trust among board members.
- Decisions taken by the board are considered to be collective decisions of the group. Board members must not, by their words or actions outside the board room, put themselves at odds with the board on which they serve.
- Members of the university community and the public must be confident that measures are in place to prevent and address potential conflicts of interest.

### ***Scope of these guidelines:***

These guidelines pertain to all individuals of the board of governors, regardless of whether they are appointed or elected or hold *ex officio* membership on the board.

Board members are subject to the University of Saskatchewan's general *Policy on Conflict of Interest*, as well as to other university policies on such matters as discrimination and harassment prevention; employment equity; employment practices; health safety and environment; gender



neutral language; use of university property and services; computer use; commercial and non-commercial use of university trademarks; copyright compliance; data management, access and use; electronic mail; freedom of information and protection of privacy; procurement and solicitation of competitive bids; property used off campus; travel; donor and gift anonymity; and prospect assignment and management; all of these can be found at <http://policies.usask.ca/>.

Board members are also bound by the *Board of Governors Bylaws*, which can be found at <http://www.usask.ca/secretariat/governing-bodies/board-of-governors/index.php>.

No member of the Board of Governors will be discriminated against for being involved in a conflict of interest so long as the individual has acted in good faith and in accordance with these Guidelines and with the university's *Conflict of Interest Policy* and any other related university policies, and the requirements of *The Interpretation Act*.

## ***Definitions:***

***The University:*** A university in the broadest sense is the community of students, faculty and staff of an institution of higher education. Under the *University of Saskatchewan Act 1995*, the University is “an autonomous corporation” (s.3) whose primary role is “to provide post-secondary instruction and research in the humanities, social sciences, and other areas of human intellectual, cultural, social and physical development (s.4.1).

***Conflict of Interest:*** A conflict arises where (a) a member of the board has or could be perceived to have the opportunity to use the authority, knowledge, or influence derived from his or her position for his or her own benefit, or the benefit of a member of his or her immediate family; or (b) where the interests of a member of the board may be, or may be perceived as being, incompatible with the interests of the university.

***Fiduciary Duty (also called the “Duty of Loyalty”):*** the requirement that board members, when exercising their powers as members, act honestly and in good faith with a view to the institution’s best interests. Members of a board owe a duty of loyalty to the organization on whose board they serve and must not place their own interests in conflict with those of the organization.

***Duty of Care (also called the “Duty of Diligence”):*** the requirement (as expressed in the *Interpretation Act*) that board members “exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.”

***Board solidarity:*** the requirement that individuals who serve on a board must support the decisions of the board in their public statements and actions.

## ***Responsibilities of Board Members:***

The Bylaws of the Board of Governors set forth the following responsibilities for individual board members:



1. To support the mission of the university.
2. To help enhance the public image of the University and the Board
3. To support, strengthen and sustain the President and the senior administration of the University
4. To exercise diligence, critical powers and independent judgement in the oversight of the University as an active, energetic, and probing member of the Board of Governors
5. To maintain a proper distinction between the Board's role in setting direction and overseeing policy, and the role of the administration in the implementation of policy and management of the institution.
6. To communicate promptly to the Board Chair or the President, as appropriate and for resolution by them, any significant concern or complaint.
7. To place loyalty to the entire University above loyalty to any part of it or constituency within it.
8. To seek to be fully informed about the University and its role in the province and in higher education and to help the University to be responsive to the changing environments which affect it.
9. To foster openness and trust among the members of the Board, the administration, the faculty, the staff, the students, all levels of government, and the public.
10. To understand the ethical responsibilities incumbent upon a member of the Board, and to declare a conflict of interest whenever such conflict arises.
11. To maintain respect and appropriate restraint in all interactions with members and officers of the Board.

## ***Procedures:***

1. Prior to accepting a position on the Board of Governors, prospective governors will be given a copy of these guidelines and asked to declare their willingness to abide by them.
2. All board members must complete the *Declaration of Conflict of Interest* form (attached) and review and update it each year. These declarations will be kept on file by the University Secretary.
3. For any given discussion and/or decision taken by the board, a member may be in conflict of interest. If so, the member must declare the conflict. Having done so, the board member may at the discretion of the chair participate in any discussion but should abstain from voting on the issue and should ask that the abstention be noted in the minutes.
4. If a board member fails to declare a conflict of interest where there is a perceived conflict, or otherwise acts in a manner that appears to contradict or undermine the principles and responsibilities outlined in these guidelines, the board chair or vice chair will bring the matter to the board member's attention. The chair may ask that the board member declare the conflict and/or absent him/herself from the discussion and/or refrain from voting on the matter which elicited the conflict. The board chair may also request



full disclosure in writing of the board member's relevant interests and/or an explanation that no conflict of interest exists.

5. Board members who are considering engaging in activities that may represent a conflict of interest with respect to their role on the Board of Governors must seek approval from the board chair prior to engaging in such activities.
6. Where the board chair is in a conflict of interest situation, or is considering engaging in activities that may represent a conflict of interest with respect to his or her role on the Board of Governors, the chair must seek approval from the governance and executive committee.
7. If an individual board member disagrees with any decision taken by the board, that disagreement may be voiced within the board room, and a dissenting vote may be recorded in the minutes, but the disagreement must not be voiced outside the board room. If a board member is unable to reconcile the board's decision with the board member's own personal beliefs, the board member's only option is to resign. The board member's confidentiality obligations continue, however.
8. The duty of loyalty requires that board members not disparage the institution in their public statements and actions, or otherwise act or speak in a way that may bring the institution into disrepute.
9. Each board member is expected to attend all meetings of the board and any committee of which he or she is a member, and the annual public meeting. A board member who is unable to attend a board or committee meeting in person may participate by telephone or teleconference.
10. When a board member acts contrary to these guidelines and/or engages in conduct that can reasonably be considered to impair or have the potential to impair the board member's independence or impartiality in performing the duties of a board member or otherwise to cause, or have the potential to cause, damage to the university or its reputation, the governance and executive committee is responsible to address the matter with the board member and to make appropriate recommendations to the Board. This may include the recommendation that the board member's resignation be requested when warranted by the circumstances. The subject board member will not participate as a member of any committee when that board member's conduct is being considered nor will the board member be considered a member of the committee for the purposes of determining quorum.

### ***Examples of Conflicts of Interest:***

*The following examples are intended to guide board members in situations where they believe there is a potential conflict of interest. The board chair and vice chair are available for advice and consultation to any board member who has concerns or uncertainty about the carrying out of his or her responsibilities as a board member.*

*Board members who participate, or whose immediate family members participate, as directors, officers, or in any other capacity in a firm which is a supplier or prospective supplier of*



*materials or services to the University:* The board member should declare the conflict and refrain from commenting on or voting on any discussion concerning the relationship between the university and the company or agency.

*Board members who become aware of corporate opportunities:* If as a result of a matter before the board, a member becomes aware of a business or investment opportunity (for example, the sale of a piece of real estate) that would not generally be known to other members of the public, the board member must not attempt to take that opportunity for his or her own personal benefit.

*Board members who offer professional services:* Board members (such as lawyers, investment professionals, consultants, accountants) who offer professional services should declare a conflict of interest where they or a member of their firm are providing services to the university or a subsidiary of the university.

*Board members who are offered gifts or other incentives:* Board members must not accept or solicit gratuities, gifts or special favours from entities or individuals within the university or with which the university does or may conduct business, except where such gifts would be considered inconsequential by both parties (a limit of \$100 is suggested).

*Board members who are privy to confidential information in carrying out their board duties:* Board members are bound by their fiduciary duty to the institution, and by provincial and federal laws governing access to information and protection of privacy, to maintain the confidentiality of information received by them in their capacity as board members. Information which is confidential, proprietary to the institution, or non public must not be divulged to anyone other than persons who are authorized to receive the information, and must not be used in any way for the personal gain of the board member.

*Board members who are student leaders:* The USSU frequently has contracts, approvals and other matters before the Board of Governors. The president of the USSU is in a conflict of interest on those matters. Under the law, the USSU president must declare the conflict. With permission of the board, he/she may speak to the matter at the board level, although this should be done carefully, as there could be other legal implications if, for example, there are competing interests who do not have that direct access. The USSU president should not be present in the meeting room for any of the discussion on a tender or contract, as the board member's presence during the discussion may inhibit other board members in the comments they make and the views they put forward. The USSU president should abstain from voting on any such matter.

The role of the student leader often requires the USSU president to speak out on student issues (such as tuition, access, and student financial aid). Many of these issues will touch on the board's sphere of responsibilities. Care must be taken by the student board member not to violate the confidentiality of board discussions. If a public statement or position of the USSU relates directly to a specific decision of the board, the USSU president should publicly acknowledge the conflict of interest and arrange for the appropriate vice-president to represent the USSU's position.



*Marches, demonstrations and protests:* Universities are places in which debate and the free exchange of ideas are valued. Board members and particular the student and faculty member should feel free to participate in such events according to the dictates of their individual conscience, provided that the protest or demonstration is not against actions (or inactions) of the board of which they are a member.

*Board members who are students or whose family members are students:* When the board is considering tuition and other fees, it is possible that board members may be in a conflict situation. Under corporate law, if the amount of any particular fee increase is not material to an individual, they may vote on the resolution. A fee increase totaling, for example, \$100 when considering the student's class load for a year would probably not be material to the student. However, this particular resolution is very close to the dividing line, and reasonable arguments could be made that student members of the board are in a conflict of interest on a fee resolution. When in doubt, any student member of the board, or board members who pay tuition for dependents, should check with the chair.

*Board members who are on faculty:* Board members who are also members of the academic community need to be particularly sensitive to the intersection of the concept of academic freedom with that of the duty of loyalty. The University of Saskatchewan's collective agreement with its faculty states that

*all employees, whether tenured or not...are entitled to the exercise of their rights as citizens and to freedom in carrying out research and in publishing its results, freedom of discussion, freedom to teach the subject assigned in classes, freedom to criticize the University and the Association without suffering censorship or discipline. Academic freedom does not require neutrality on the part of the individual, but makes commitment possible (emphasis added).*

By accepting a position on the Board of Governors, faculty members acknowledge that they will participate under constraints which do not apply to faculty at large (for example, constraints around confidentiality). Moreover, their "freedom to criticize the University" takes a different form while they serve as a member of the board. On the one hand, that freedom is strengthened because of the direct access that the individual has to the board, access that is much greater than most members of the academic community enjoy. On the other hand, the freedom is limited by the duty of loyalty, which stipulates that a decision taken by the board is a group decision and must be publicly supported by all board members.

*Board members who are members of bargaining units:* Board members who are members of any collective bargaining unit should absent themselves from discussions of labour issues pertaining directly to their bargaining unit, and from votes on matters pertaining to their contract or compensation.

*Board members and labour action:* Since the board is a party to collective bargaining, board members are subject to labour legislation governing the activities of the parties involved. Members of the board must not participate in demonstrations, petitions, picket lines, or any other activities related to labour action, since such actions would reasonably be perceived as conveying to the community that the board member is at odds with the board's position. However, board members who are members of collective bargaining units may exercise their right not to cross a



picket line. When a board member is also a member of a collective bargaining unit which is participating in job action, the board member should consider the potential that a conflict of interest exists or may be perceived to exist and may find it appropriate to withdraw temporarily from participation or attendance at board meetings and/or committee meetings until the job action has been resolved.

*Board members and influence:* Board members must not use or attempt to use their status as board members to influence the appointment or promotion of family members or business associates to positions within the university, nor their acceptance as students, nor their being awarded scholarships or other honours.

**Sources:**

- University of Saskatchewan Conflict of Interest Policy
- Board of Governors Bylaws
- “Directors’ Duties at the University of Saskatchewan”
- University of Saskatchewan Act 1995
- Discussions of G&E committee March 12, 2009 and March 29, 2016
- Interpretation Act

Revised by the Board of Governors March 29, 2016