

GOVERNANCE POLICIES

1. *Chief Executive/President Transition*

Preamble

There are two types of chief executive (President) transitions and, although they share some key elements, they differ in the challenges they present to the board and in how they are implemented. One is the planned transition in which the President notifies the board of intent to leave, enough in advance to allow the board and the organization to prepare. The second is a sudden departure, whether by sudden change in circumstances, illness, death, or termination by the board.

In either case, the School needs to be prepared. Selecting a new President may well be the most important task ever undertaken by the board. It is a pivotal opportunity that has a direct impact on implementing the mission and goals of the School. Maintenance of the School's mission and goals make it highly desirable that the President be familiar with and supportive of Seventh-day Adventist principles.

Statement

Annually, as part of the President's performance review, the President discusses his or her succession plan with the executive committee. The President, through this discussion, advises the executive committee what they should do in the event of a sudden departure in order to ensure organizational stability until a new President is appointed.

In addition, the President and Executive Committee ensure the School always has in place:

- An up-to-date chief executive position description
- A current strategic and operating plan
- An operating budget that includes adequate salary and benefits to attract a competent successor
- Access to information of best practices in executive recruitment.

2. *Chief Executive/President Evaluation*

The board monitors the President to ensure that he or she is competent and effective, including conducting an annual review and appraisal of the President's performance

The annual goals should be mutually discussed and agreed upon and should serve as the basis for performance evaluations. The Executive Committee and Chief Executive should mutually agree on the process of formal performance reviews. The primary purpose of performance evaluations is to help the President perform more effectively. Compensation increases and contract renewal decisions should not be the primary purpose for conducting the evaluation. The Board Chairman makes recommendations for compensation increases and contract renewal to the board.

3. *Board Self-Assessment*

Rationale

The MTSA board is committed to assessing its own performance as a board in order to identify its strengths and areas in which it may improve its functioning.

While the board sees its role of assessing its performance as ongoing, it sets aside time at its annual retreat to conduct a self-evaluation among its members.

Purpose and Process

The purpose of the MTSA board self-evaluation is to identify those areas of board functions that are working well and those that may need improvement. The MTSA board self-evaluation speaks to the board as a whole, not to individual members. It is the evaluation process of the overall effectiveness of the board as a decision-making group.

The following process will be used:

- A self-evaluation form will be distributed to all MTSA board members annually.
- The completed self-evaluation forms shall be submitted to the President's office at least four (4) weeks prior to the regularly scheduled board meeting at which the self-evaluation will be discussed.
- The self-evaluation results shall be included as an agenda item for review at a regularly scheduled board meeting.
- The board will develop a remediation plan during a future board meeting within six (6) months from the date of the initial approval of this self-assessment procedure.

4. Fundraising Responsibilities Individual Board Member Duties

- Board members are encouraged to assist MTSA administration to identify and evaluate prospects, cultivate and solicit gifts, actively support fundraising programs by their presence, and offer personal acknowledgments to donors and volunteers.
- Board members are to engage in personal gift support to their level of ability.
- Board members are encouraged to be involved in fundraising by using their personal and business connections when appropriate, by soliciting funds when appropriate, by appropriate representation on the Advancement Committee, and by attending major fundraising events.

Corporate Board Duties

- The board is encouraged to assist the President and Vice President for Advancement & Alumni in attracting significant resources for the School.

5. Donor Relations

All printed or recorded materials and all oral representations made by authorized representatives of the Middle Tennessee School of Anesthesia in its efforts to solicit funds, gifts, and donations shall comport to the highest standards of ethics, honesty and transparency.

MTSA shall respect the privacy concerns of individual donors to the maximum extent allowed by law.

In raising funds from the public, MTSA will respect the rights of donors and will inform donors of:

- The mission and Christian values of MTSA, the way the resources will be used, and capacity to use donations effectively for their intended purpose
- The identity of those serving on MTSA's governing board and of the board's exercise of prudent judgment in its stewardship responsibilities
- Their abilities to access to MTSA's most recent financial reports
- The Board's policy that the gift, once accepted, will be used for its intended purpose
- Their ability to receive appropriate acknowledgment and recognition
- Information regarding confidentiality of the gift to the maximum extent provided by law

- The continuing right to be acknowledged in a courteous and professional manner
- The status and capacity of those seeking donations whether volunteers, employees of MTSA, or contracted solicitors
- The right to have their names to be deleted from mailing lists that MTSA may intend to share
- The right to ask questions when making a donation and the commensurate duty of the solicitor to provide prompt, truthful, and forthright responses.

6. *Gift Acceptance Policy*

Middle Tennessee School of Anesthesia actively solicits gifts and grants to further the mission of the School. In an effort to avoid accepting a gift that could potentially compromise the ability of the school in fulfilling its mission and goals or, in the alternative, jeopardize its tax-exempt status, the following gift acceptance policy shall apply:

- A. The President, Vice President of Advancement and Alumni and the Board of Trustees of MTSA shall have the authority to solicit and/or accept gifts on behalf of the School. All solicitations shall be coordinated by the Vice President of Advancement and Alumni.
- B. Persons authorized to pursue gifts in the name of MTSA shall insure that the solicitation as well as the resulting donation will further MTSA's mission, goals, and objectives.
- C. The primary consideration in the pursuit of gifts is the benefit derived to the organization, the terms and conditions that may apply upon acceptance, and the perils of inadequate due diligence. To that end, the following caveats must be considered:
 1. *Core Values.* Is the gift one that is consistent with the School's Christian standards, principles, and core values?
 2. *Compatibility of Cause.* Will the gift unnecessarily challenge the School's ability to further its mission, goals, or objectives?
 3. *Public Relations.* Does the acceptance of the gift present the School in an unfavorable light? Does it appear that a conflict of interest may exist between the donor and the School?
 4. *Motivation.* Are there clear charitable intent and a commitment to MTSA?
 5. *Consistency.* Will the acceptance of the gift be compatible with other fundraising activities or gifts of the School?
 6. *Credibility.* Has the solicitation and/or offer of the gift been subjected to the highest levels of due diligence to assure defense if later questions should arise?
 7. *Form of Gift.* Will the nature of the in-kind contribution create problems, such as encumbrances, advertising, or sponsorships?
 8. *Source of Gift.* Who is the donor? Is the gift from an individual or a corporation? Does the donor represent a perceived conflict of interest or a perceived conflict with the mission and/or Christian values of the School?

7. *Conflict of Interest Policy*

Personal interest of officers prohibited. It shall be the policy of the Board of Trustees for the Middle Tennessee School of Anesthesia that any trustee, officer, committee member, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract, shall not be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling Interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

These provisions shall not be construed to prohibit any trustee, officer, committee person, or any person from voting on the budget, appropriations, resolutions, fee resolutions, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation that directly benefits the officer or the agency with which the officer is directly interested.

It shall be the policy of the Board of Trustees for the Middle Tennessee School of Anesthesia that any trustee, officer, committee member, or other person whose duty is to vote for, let out, overlook, or in any manner to superintend any work or any contract to be indirectly interested in any such contract unless the officer publicly acknowledges the interest. "Indirectly interested" means any contract in which the officer is interested but not directly so. Any officer possessing an indirect interest in such contract shall declare as follows:

Because I am (state title and agency relationship), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to the Middle Tennessee School of Anesthesia, its officers, students, and the community it serves.

The vote of any such trustee having a conflict of interest who does not so inform the Board of Trustees of such conflict shall be void if challenged by another trustee in a timely manner.

"Timely manner" shall mean during the same meeting at which the vote was cast and prior to transaction of any further business pending before the Board of Trustees.

Any trustee who deems himself/herself to have a conflict of interest in a matter to be voted upon by the Board of Trustees may abstain for cause by announcing the decision to abstain to the presiding officer. Any trustee who abstains from voting for cause on any issue coming to a vote before the body shall not be counted for the purpose of determining a majority vote.

8. Agreement, Conflict of Interest and Disclosure Statements

Each Trustee must understand and agree to act responsibly, individually and corporately on behalf of the School. Board Member Agreements and Conflict of Interest and Disclosure Statements must be signed annually by all Trustees at the first regularly scheduled board meeting of each calendar year.

All Trustees and officers have a duty to be free from the influence of any conflicting interests when they represent Middle Tennessee School of Anesthesia in negotiations or make representations with respect to dealings with third parties, and are expected to deal with all persons doing business with the School on a basis that is for the best interest of Middle Tennessee School of Anesthesia without favor or preference to third parties or personal considerations.

A conflict of interest arises when a trustee or an officer of Middle Tennessee School of Anesthesia has such a substantial personal interest in a transaction or a party to a transaction that it reasonably might affect the judgment he/she exercises on behalf of Middle Tennessee School of Anesthesia. A Trustee should always avoid harsh practices and faithfully follow the established policies of Middle Tennessee School of Anesthesia.

In the Commission on Colleges of the Southern Association of Schools and Colleges, Principles of Accreditation, 2008 Edition, page 16, the following standard establishes that:

"The board is not controlled by a minority of board members or by organizations or interests separate from it. Both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, or personal or familial financial interest in the institution."

9. *Board/Administration Distinction*

Purpose: The purpose of this policy is to provide a clear distinction between the policymaking functions of the Board of Trustees (BOT) and the responsibility of administration and faculty to administer and implement policy.

The BOT is responsible for matters of governance, i.e., give legitimacy to MTSA's continued existence and to provide oversight and support by creating governance policies. The BOT is responsible for safeguarding MTSA's institutional mission and fulfillment of its educational mission. Conversely, the administration and faculty are empowered to develop, administer, and implement daily operational policies and procedures.

Procedures:

It is the responsibility of MTSA's President to implement BOT-created policy. Administration and faculty are responsible for policy that affects their immediate domain of activity. It is incumbent upon all MTSA constituencies to carry out all policies and procedures with integrity.

MTSA's BOT are informed of any new policies created through review of President's Council meeting minutes. MTSA's administration and faculty are informed of new governance policies from the BOT through the President's Council or Nurse Anesthesia Program Council meetings, or as needed.

Governance and operational policies are developed upon need and relevance.