

ROLES AND RESPONSIBILITIES OF TRUSTEES

Higher education literature is rich in the discussion of roles and responsibilities of Trustees. A trustee is one to whom something of value has been entrusted. As guardian of the institution, the Board of Trustees protects the autonomy of the institution while simultaneously holding it accountable. The Board is charged with furthering the School's welfare within the context of the broader public welfare and with fulfillment of its mission to its internal and external constituencies.

To this end, Middle Tennessee School of Anesthesia Trustees must be committed to the institution, holding their position of sacred trust. With institutional welfare foremost, they neither serve their own agenda nor that of some other group. Trustees are expected to bring valuable personal and professional skills and experiences to the group, including integrity, sound judgment, effective interpersonal skills, sensitivity to diversity and varying perspectives, the ability to consider all aspects of an issue, and competence to contribute positively to the committee process.

Board members must realize that authority lies in the corporate body, and Board decisions are binding on the entire board, regardless of individual opinions and positions. Actions on behalf of the institution are vested only in the Board as a corporate body, and no individual member or committee, except the Executive Committee when authorized by the Board of Trustees (Bylaws, Article III, Section 6), may take official action for the Board.

Trustees must possess an adequate understanding of the institution, its mission, vision, strategic direction, and philosophy, as well as its operations and challenges, so that informed, prudent decisions can be made. It is essential that Trustees understand the issues facing higher education, including current and potential educational, political, social, and religious developments that may impact the School and its future. Additionally, familiarity with other agencies and organizations interfacing with the School is valuable.

Of critical importance is that Trustees distinguish between governance and administration.

Whereas *governance* refers to the power to create the School, to give legitimacy to its continued existence, and to provide oversight and support, *administration* deals with the leadership and operational management of the School. For example, the Board approves governance policies, and the School administration develops and implements daily operational policies and procedures.

The Middle Tennessee School of Anesthesia Board of Trustees has been vested by the Bylaws of the Corporation as the final authority of the institution. In addition to the general responsibilities established by the state statute, the Board of Trustees is charged with the following responsibilities and duties:

- Safeguard the School operating under the values of a Christian, Seventh-day Adventist institution of higher education in the fulfillment of its educational ministry.
- Establish the approved institutional mission, vision, values, philosophy, and goals, including size and character of student body.
- Support and assist internal constituents in ensuring the welfare of the institution.
- Develop broad institutional policies.
- Appoint and evaluate the president.
- Establish and/or discontinue the offering of degrees.
- Review and evaluate the performance of the School.
- Provide oversight for resource management.
- Approve annual budgets and audited financial statements.

- Secure resources to further the mission and vision of the School.
- Form contracts related to borrowing of funds, acquisition and disposition of property, stocks, and securities.
- May serve as liaison between the School and its external constituencies.
- Serve as the legal voice for the School.
- Fill any vacancy on the Board of Trustees.
- Undertake appropriate self-limitation.

In discharging duties as a trustee of a nonprofit corporation, Tennessee law requires that a trustee discharge all duties, including duties as a member of a committee, (i) in good faith, (ii) with care an ordinarily prudent person in a like position would exercise under similar circumstances, and (iii) in a manner the trustee reasonably believes to be in the best interest of the corporation. A trustee has a duty to be free from the influence of any conflicting interest when he/she represents the School in dealings with third parties. When dealing with such third parties, the trustee shall deal on a basis that is best for the School without favor or preference to third parties or personal considerations. If a conflict arises from a trustee's substantial interest in a transaction that might reasonably affect his/her judgment, the trustee shall notify the School president's office in writing and verbally declare such conflict when in a decision-making process.

In discharging his duties, the trustee is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by persons the trustee believes to be reliable and competent in the matters presented.

The Charter and Bylaws protect Trustees when they act in good faith by limiting or eliminating personal liability for monetary damages to the full extent permitted by Tennessee law. Personal liability will not be limited or eliminated (i) for any breach of the trustee's duty of loyalty to the School or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for unlawful distributions.

The Charter and Bylaws allow the School to indemnify Trustees to the extent permitted by Tennessee law. Indemnity may be granted if (i) the trustee's conduct was in good faith, and (ii) the trustee reasonably believed that the trustee's conduct was in the best interest of the School, and (iii) in the case of criminal proceeding, the trustee had no reasonable cause to believe that his/her conduct was unlawful.

The School may not indemnify a trustee when the trustee was adjudged liable to the School.

Trustees of the School will be asked to review and sign memoranda describing in greater detail their statutory obligations. The Board of Trustees Handbook contains examples of documents relating to duties, liabilities, indemnity and conflict of interest.