

## Chapter 1 : Board of Trustees: Indiana University

*A board of directors is a recognized group of people who jointly oversee the activities of an organization, which can be either a for-profit business, nonprofit organization, or a government agency. Such a board's powers, duties, and responsibilities are determined by government regulations (including the jurisdiction's corporations law) and the organization's own constitution and bylaws.*

Typical duties of boards of directors include: For companies with publicly trading stock , these responsibilities are typically much more rigorous and complex than for those of other types. Typically, the board chooses one of its members to be the chairman often now called the "chair" or "chairperson" , who holds whatever title is specified in the by-laws or articles of association. However, in membership organizations, the members elect the president of the organization and the president becomes the board chair, unless the by-laws say otherwise. Several specific terms categorize directors by the presence or absence of their other relationships to the organization. Typical inside directors are: Other executives of the organization, such as its chief financial officer CFO or executive vice president Large shareholders who may or may not also be employees or officers Representatives of other stakeholders such as labor unions, major lenders, or members of the community in which the organization is located An inside director who is employed as a manager or executive of the organization is sometimes referred to as an executive director not to be confused with the title executive director sometimes used for the CEO position in some organizations. Executive directors often have a specified area of responsibility in the organization, such as finance, marketing, human resources, or production. Independent director An outside director is a member of the board who is not otherwise employed by or engaged with the organization, and does not represent any of its stakeholders. A typical example is a director who is president of a firm in a different industry. Outside directors bring outside experience and perspectives to the board. For example, for a company that only serves a domestic market, the presence of CEOs from global multinational corporations as outside directors can help to provide insights on export and import opportunities and international trade options. One of the arguments for having outside directors is that they can keep a watchful eye on the inside directors and on the way the organization is run. Outside directors are unlikely to tolerate "insider dealing" between insider directors, as outside directors do not benefit from the company or organization. Outside directors are often useful in handling disputes between inside directors, or between shareholders and the board. They are thought to be advantageous because they can be objective and present little risk of conflict of interest. Terminology [ edit ] Director “ a person appointed to serve on the board of an organization, such as an institution or business. Inside director “ a director who, in addition to serving on the board, has a meaningful connection to the organization Outside director “ a director who, other than serving on the board, has no meaningful connections to the organization Executive director “ an inside director who is also an executive with the organization. This situation can have important corporate, social, economic, and legal consequences, and has been the subject of significant research. The examples and perspective in this section deal primarily with the United States and do not represent a worldwide view of the subject. You may improve this article , discuss the issue on the talk page , or create a new article , as appropriate. May Learn how and when to remove this template message The process for running a board, sometimes called the board process , includes the selection of board members, the setting of clear board objectives, the dissemination of documents or board package to the board members, the collaborative creation of an agenda for the meeting, the creation and follow-up of assigned action items , and the assessment of the board process through standardized assessments of board members, owners, and CEOs. Board meetings[ edit ] A board of directors conducts its meetings according to the rules and procedures contained in its governing documents. These procedures may allow the board to conduct its business by conference call or other electronic means. For example, the nature of the business entity may be one that is traded on a public market public company , not traded on a public market a private, limited or closely held company , owned by family members a family business , or exempt from income taxes a non-profit, not for profit, or tax-exempt entity. There are numerous types of business entities available throughout the world such as a corporation, limited

liability company, cooperative, business trust, partnership, private limited company, and public limited company. Much of what has been written about boards of directors relates to boards of directors of business entities actively traded on public markets. A difference may be that the membership elects the officers of the organization, such as the president and the secretary, and the officers become members of the board in addition to the directors and retain those duties on the board. These ex-officio members have all the same rights as the other board members. Details on how they can be removed are usually provided in the bylaws.

Governance[ edit ] Theoretically, the control of a company is divided between two bodies: In practice, the amount of power exercised by the board varies with the type of company. In small private companies, the directors and the shareholders are normally the same people, and thus there is no real division of power. Larger institutional investors also grant the board proxies. The large number of shareholders also makes it hard for them to organize. However, there have been moves recently to try to increase shareholder activism among both institutional investors and individuals with small shareholdings. As a practical matter, executives even choose the directors, with shareholders normally following management recommendations and voting for them. In most cases, serving on a board is not a career unto itself. For major corporations, the board members are usually professionals or leaders in their field. In the case of outside directors, they are often senior leaders of other organizations. Nevertheless, board members often receive remunerations amounting to hundreds of thousands of dollars per year since they often sit on the boards of several companies. Inside directors are usually not paid for sitting on a board, but the duty is instead considered part of their larger job description. Outside directors are usually paid for their services. These remunerations vary between corporations, but usually consist of a yearly or monthly salary, additional compensation for each meeting attended, stock options, and various other benefits. In these countries, the CEO chief executive or managing director presides over the executive board and the chairman presides over the supervisory board, and these two roles will always be held by different people. This ensures a distinction between management by the executive board and governance by the supervisory board and allows for clear lines of authority. The aim is to prevent a conflict of interest and too much power being concentrated in the hands of one person. There is a strong parallel here with the structure of government, which tends to separate the political cabinet from the management civil service. The examples and perspective in this section deal primarily with the United Kingdom and do not represent a worldwide view of the subject. Until the end of the 19th century, it seems to have been generally assumed that the general meeting of all shareholders was the supreme organ of a company, and that the board of directors merely acted as an agent of the company subject to the control of the shareholders in general meeting. The articles were held to constitute a contract by which the members had agreed that "the directors and the directors alone shall manage. Under English law, successive versions of Table A have reinforced the norm that, unless the directors are acting contrary to the law or the provisions of the Articles, the powers of conducting the management and affairs of the company are vested in them. A company is an entity distinct alike from its shareholders and its directors. Some of its powers may, according to its articles, be exercised by directors, certain other powers may be reserved for the shareholders in general meeting. If powers of management are vested in the directors, they and they alone can exercise these powers. The only way in which the general body of shareholders can control the exercise of powers by the articles in the directors is by altering the articles, or, if opportunity arises under the articles, by refusing to re-elect the directors of whose actions they disapprove. They cannot themselves usurp the powers which by the articles are vested in the directors any more than the directors can usurp the powers vested by the articles in the general body of shareholders. It has been remarked[ by whom? May Learn how and when to remove this template message In most legal systems, the appointment and removal of directors is voted upon by the shareholders in general meeting [a] or through a proxy statement. For publicly traded companies in the U. In some legal systems, directors may also be removed by a resolution of the remaining directors in some countries they may only do so "with cause"; in others the power is unrestricted. Some jurisdictions also permit the board of directors to appoint directors, either to fill a vacancy which arises on resignation or death, or as an addition to the existing directors. In many legal systems, the director has a right to receive special notice of any resolution to remove him or her; [b] the company must often supply a copy of the proposal to the director, who is usually

entitled to be heard by the meeting. Also, directors received fewer votes when they did not regularly attend board meetings or received negative recommendations from a proxy advisory firm. The study also shows that companies often improve their corporate governance by removing poison pills or classified boards and by reducing excessive CEO pay after their directors receive low shareholder support. In , the New York Times noted that several directors who had overseen companies which had failed in the financial crisis of " had found new positions as directors. Most legal systems require sufficient notice to be given to all directors of these meetings, and that a quorum must be present before any business may be conducted. Usually, a meeting which is held without notice having been given is still valid if all of the directors attend, but it has been held that a failure to give notice may negate resolutions passed at a meeting, because the persuasive oratory of a minority of directors might have persuaded the majority to change their minds and vote otherwise. The duties imposed on directors are fiduciary duties, similar to those that the law imposes on those in similar positions of trust: The duties apply to each director separately, while the powers apply to the board jointly. Also, the duties are owed to the company itself, and not to any other entity. Greater difficulties arise where the director, while acting in good faith, is serving a purpose that is not regarded by the law as proper. The case concerned the power of the directors to issue new shares. But if the sole purpose was to destroy a voting majority, or block a takeover bid, that would be an improper purpose. Not all jurisdictions recognised the "proper purpose" duty as separate from the "good faith" duty however. This does not mean, however, that the board cannot agree to the company entering into a contract which binds the company to a certain course, even if certain actions in that course will require further board approval. The company remains bound, but the directors retain the discretion to vote against taking the future actions although that may involve a breach by the company of the contract that the board previously approved. The law takes the view that good faith must not only be done, but must be manifestly seen to be done, and zealously patrols the conduct of directors in this regard; and will not allow directors to escape liability by asserting that his decision was in fact well founded. Traditionally, the law has divided conflicts of duty and interest into three sub-categories. This rule is so strictly enforced that, even where the conflict of interest or conflict of duty is purely hypothetical, the directors can be forced to disgorge all personal gains arising from it. Such agents have duties to discharge of a fiduciary nature towards their principal. And it is a rule of universal application that no one, having such duties to discharge, shall be allowed to enter into engagements in which he has, or can have, a personal interest conflicting or which possibly may conflict, with the interests of those whom he is bound to protect So strictly is this principle adhered to that no question is allowed to be raised as to the fairness or unfairness of the contract entered into In many countries, there is also a statutory duty to declare interests in relation to any transactions, and the director can be fined for failing to make disclosure. This prohibition is much less flexible than the prohibition against the transactions with the company, and attempts to circumvent it using provisions in the articles have met with limited success. In *Regal Hastings Ltd v Gulliver* [ ] All ER the House of Lords, in upholding what was regarded as a wholly unmeritorious claim by the shareholders, [h] held that: The decision has been followed in several subsequent cases, [47] and is now regarded as settled law. Competing with the company[ edit ] Directors cannot compete directly with the company without a conflict of interest arising. Similarly, they should not act as directors of competing companies, as their duties to each company would then conflict with each other. Common law duties of care and skill[ edit ] Traditionally, the level of care and skill which has to be demonstrated by a director has been framed largely with reference to the non-executive director. However, a more modern approach has since developed, and in *Dorchester Finance Co Ltd v Stebbing* [ ] BCLC the court held that the rule in *Equitable Fire* related only to skill, and not to diligence. With respect to diligence, what was required was:

## Chapter 2 : Board of Trustees | University of the District of Columbia

*Trustee Jimmy Wales The Wikimedia Foundation is the nonprofit organization that supports Wikipedia, the other Wikimedia free knowledge projects, and our mission of free knowledge for every single person.*

General duties of trustees[ edit ] Chart of a trust Trustees [2] have certain duties some of which are fiduciary. These include the duty to: Carry out the expressed terms of the trust instrument [3] - A trustee is bound to act in accordance with the terms of the trusts upon which he or she holds trust property, and commits a breach of trust if he or she departs from the terms of the trust. If any question arises as to the construction of the provisions of the trust, the trustee must approach the court for determination of the question. Defend the trust Prudently invest trust assets in New South Wales , this is mandated by Trustee Act NSW [5] Be impartial among beneficiaries - the trustee must act impartially between individual beneficiaries [6] as well as between different classes of beneficiaries. Account for actions and keep beneficiaries informed, these include a duty to inform beneficiaries as to their entitlements under the trust [7] and other matters concerning the trust. Be loyal Not profit; however, may charge fees for services to the Trust [11] Not be in a conflict of interest position Administer in the best interest of the beneficiaries The modern interpretation of fiduciary duty requires the consideration of environmental, social, and governance ESG factors as these are long-term investment value drivers. The terms of instrument that creates the trust may narrow or expand these dutiesâ€”but in most instances they cannot be eliminated completely. Corporate trustees, typically trust departments at large banks, often have very narrow duties, limited to those the trust indenture explicitly defines. The trustee may find himself liable to claimants , prospective beneficiaries, or third parties. In the event that a trustee incurs a liability for example, in litigation , or for taxes, or under the terms of a lease in excess of the trust property they hold, they may find themselves personally liable for the excess. Trustees are generally held to a "prudent person" standard in regard to meeting their fiduciary responsibilities, though investment, legal, and other professionals can, in some jurisdictions, be held to a higher standard commensurate with their higher expertise. It is common for lawyers to draft will trusts so as to permit such payment, and to take office accordingly: This is an exception explicitly granted in the act [14] Other uses[ edit ] The broadest sense of the term trustee applies to someone held to a fiduciary duty similar in some respects to that of a trustee proper. Many corporations call their governing board a board of trustees, though in those cases they act as a board of directors. Charities in the United Kingdom[ edit ] In the case of UK charities , a trustee is a volunteer who undertakes fiduciary responsibilities on behalf of the charity, subject to the provisions of Charity Law, a branch of trust law, and the Charities Act Many UK charities are also limited liability companies registered with Companies House , in this case the trustees are also directors of the company and their liability is limited. This is the preferred model if the charity owns property or employs people. The law on this in England changed considerably with the Charities Act of One of the key changes made was that it introduced the Charitable Incorporated Organisation which is basically a limited liability charity. There are thus now two main aspects of corporate management of charities. One is the traditional way in which a corporation is a corporate trustee of a given charity. The second is the new way, in which the charity itself is incorporated as a CIO. The advantages and disadvantages of the different methods is a complicated matter. According to King and Philips, many of the advantages of incorporating as a CIO are obtained if the trustees are not individuals but a corporate entity. It can be composed of the mayor and a set number of trustees and usually manages village property, finances, safety, health, comfort, and general welfare and leadership of the town acting as a board of police or fire commissioners or a moderate income housing board for example. Village board of trustees is comparable to but distinguished from city council or town council. Small villages have a trustee instead of a mayor, who is elected to manage village business in a similar function. In some states, a civil township may be administered by a trustee or a group of trustees; see Indiana Township Trustee for an example. Correctional institution usage[ edit ] See also: Trusty system prison In this context, a "trusty" is a prisoner who is trusted not to attempt an escape, and therefore requires little or no guarding. For example, a trusty may be allowed to leave the prison to attend work or other important events. Many times, "trusty" is

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misspelled[ citation needed ] as "trustee". Bankruptcy trustee[ edit ] In the United States, when a consumer or business files for bankruptcy all property belonging to the filer becomes property of a newly created entity, the " bankruptcy estate ". For all bankruptcies consumer or business filed under Chapter 7 , 12 or 13 of Title 11 of the United States Code the Bankruptcy Code , a trustee the " trustee in bankruptcy " or TIB is appointed by the United States Trustee , an officer of the Department of Justice that is charged with ensuring the integrity of the bankruptcy system and with representatives in each court, to manage the property of the bankruptcy estate, including bringing actions to avoid pre-bankruptcy transfers of property. In bankruptcies filed under Chapter 11 , the debtor continues to manage the property of the bankruptcy estate, as " debtor in possession ," subject to replacement for cause with a trustee. Chapter 7 trustees in bankruptcy are chosen by the United States Trustee from a panel, and are known as panel trustees. Every judicial district has a permanent Chapter 13 trustee, known as a "standing trustee.

### Chapter 3 : Wikimedia Foundation Board of Trustees - Meta

*If you would like to provide your perspective on the future of the university and the search for a new president, please send us your thoughts via email to [botchair@www.nxgvision.com](mailto:botchair@www.nxgvision.com)*

### Chapter 4 : Oral Roberts University Board of Trustees || ORU

*Agendas and meeting materials from March 4, through the current meeting are available on the Board's meeting site, click on "current agenda" above. To request materials from meetings prior to that date, please contact the President's office at [dawsonk@www.nxgvision.com](mailto:dawsonk@www.nxgvision.com) or call*

### Chapter 5 : Board of Trustees | Boston Public Library

*The member Board of Trustees adopts regulations and policies governing the entire CSU system. Board committees have authority over educational policy, finance, campus planning, and facilities, among other areas.*

### Chapter 6 : Trustee - Wikipedia

*The responsibilities of the board of directors include the establishment of the audit and compensation committees. The audit committee is responsible for ensuring that the company's financial statements and reports are accurate and use fair and reasonable estimates.*

### Chapter 7 : Board of directors - Wikipedia

*Trustee (or the holding of a trusteeship) is a legal term which, in its broadest sense, is a synonym for anyone in a position of trust and so can refer to any person who holds property, authority, or a position of trust or responsibility for the benefit of another.*

### Chapter 8 : Home | Board of Trustees

*Board Of Trustees The Stark Library Board of Trustees is a made up of individuals appointed by the Stark County Commissioners and the Court of Common Pleas. They are appointed for seven year terms and hold fiduciary responsibility for the Stark Library system.*

### Chapter 9 : Board of Trustees | University Leadership

*Board members are elected at large for terms of four years. Elections are held every two years, with three members*

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*being chosen at one election and four members at the other. The President and Vice President of the Board of Trustees are elected by the Board for one-year terms at the annual organizational and regular meeting in July.*