Scripps College Board of Trustees

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Board of Trustees (BOT): Overview, Duties & Responsibilities

❖ What is a nonprofit, tax-exempt organization?

Scripps College (and all of the other institutions in the Consortium including TCC) is a nonprofit, tax-exempt organization recognized by the Internal Revenue Service as such under section 501(c)(3) of the Internal Revenue Code. A nonprofit of this sort (sometimes referred to as a 501(c)(3) public charity) is an organization that serves the public interest. Generally speaking, the purpose of this type of organization must be charitable, educational, scientific, religious, or literary. Nonprofits of this type may not participate in campaign activity for or against any political candidate, nor may a substantial part of its activities constitute lobbying. The organization must use its resources to further its exempt purpose. In other words, it may not operate or use its earnings to benefit private interests. Under state and federal law, a nonprofit organization is required to have an independent governing board to oversee its operations and to help ensure that the institution is acting in furtherance of its exempt purpose and mission.

❖ What is the Board of Trustees?

The Board of Trustees (often referred to as simply "the Board") is a body of members, known as trustees, who oversee the activities of Scripps College. Under state and federal law, nonprofit organizations are required to have an independent governing board. The members of the Board have what is known as a *fiduciary* relationship with the College. Fiduciary, derived from *fiduciarius*, refers to the concept of holding in trust. In short, this means that the Board is a steward of the institution and has a legal and ethical duty to act in its best interest, for the benefit of its current and future students. The Board is charged with asking probing questions about the organization's strategic directions as well as the quality of leadership. As a general matter, the Board's job is to govern in the best interest of the College, to hire the president, and to be proactive partners with her on achieving agreed-upon goals. The Board does not manage the College's day-to-day operations. That is the president's job, and she carries it out directly and by delegating administrative responsibilities to her senior team of vice presidents. Instead, the Board monitors and guides, making key decisions with respect to high-level policy, strategic direction and goals, and overall governance. For more detail on the Board's fiduciary duties and responsibilities, see below.

❖ What are the Board's fiduciary duties?

Trustees are charged with the fiduciary duty of care and the duty of loyalty. When considering these duties, keep in mind the key idea behind nonprofits: in exchange for being exempt from federal taxes, nonprofit organizations – be it a college/university, a hospital, a food bank, a homeless shelter, or a public policy organization – are accountable to the public and expected to operate transparently and for the public benefit. These core fiduciary duties help ensure that a nonprofit does not violate the public trust.

The *duty of care* refers to the expectation that a trustee act reasonably, competently, prudently, and in an informed manner when making decisions as a steward of the institution and its assets. In this context, "assets" is a very broad term. It obviously refers to the College's endowment and other financial assets but also its reputational, academic, scholarly, student, faculty, staff, real estate, property, and other tangible assets.

The duty of loyalty requires trustees to put the interests of the College before all others. It prohibits a trustee from acting out of self-interest or when there is an actual or potential conflict of interest. To guard against conflicts of interest and to allow the College and the Board to take appropriate steps when one is identified (as sometimes it is inevitable), the College has a conflict of interest policy that provides guidance to trustees and requires them to disclose any conflicts of interest they might have. For example, the policy requires disclosure of any family relationships between the organization or its executives and its board members. Trustees are required to act in a manner that is consistent with the mission, strategic vision, and central goals of the College. This includes complying with applicable laws and working to ensure the institution also remains in compliance with law.

❖ **What are the Board's responsibilities?**

As a general matter, the Board "bears an abiding responsibility to preserve and enhance a legacy of learning, scholarship, and free inquiry that is unique to the College. As fiduciaries accountable for the public trust that is placed in higher education, they must also exemplify the highest standards of integrity." The Board assures that the College is well-managed by selecting a president that carries out the College's mission. As mentioned above, the Board does not manage the institution's day-to-day operations. That is the president's overarching responsibility. Instead, the Board monitors and guides, making key decisions with respect to high-level policy, strategic direction and goals, and overall governance. What does this mean as a practical matter? What does the Board do? Typical responsibilities of any board, including the Scripps' Board, include the following:

- Setting and overseeing implementation of overarching strategic goals and initiatives, focusing on both short- and long-term growth opportunities and challenges;
- Adopting and overseeing the implementation of major policies;
- Identifying, evaluating, and overseeing the management of key strategic risks to the institution;
- Selecting and appointing the president;
- Reviewing the performance and setting the compensation of the president;
- Approving the compensation of other members of the senior management team;
- Providing strategic guidance to the president;
- Providing financial stewardship and oversight, including approving annual budgets and major capital projects, overseeing the College's financial investments, and considering the College's future growth and short-, mid-, and long-term capital needs; and
- Overseeing the College's annual audit.

Trustees also have philanthropic responsibilities to the College, and are encouraged to give annually in support of the current operations of the College at a level which represents both a strong commitment to Scripps and which is commensurate with one's financial capability. Trustees are also encouraged to contribute to capital fundraising efforts by making campaign gifts and asking others to do so as well.

What is the composition of the Scripps College Board of Trustees?

California law requires CA nonprofits to have directors (also known as trustees) and officers. Legally, a CA nonprofit corporation can operate with one director and two officers: a president or board chair, secretary, and treasurer or chief financial officer. Most nonprofit boards are much bigger, and Scripps College bylaws require a minimum of 26 and maximum of 36 regular trustee members, excluding all *ex officio* members. *Ex officio* members of a board are those whose membership results from holding another office. The Scripps College Board has three *ex officio* members: the President of the College; the President of the Alumnae Association; and the Chair of the Scripps Association of Families (SAF). These members have the same voting and other rights as other classes of trustees.)

The Board of Trustees for Scripps College is composed of three classes of trustees: Regular, two Alumnae Trustees, and two Recent Graduate Trustees. There is also a Recent Graduate Trustee-Elect, who is a non-voting member of the Board.

As of July 2018, the Scripps Board of Trustees has 7 men and 29 women, well above the national average of female trustees. The Board includes a diversity of ages; women and men who are able to commit the time and resources – financial expertise and sphere of influence – that will help the College maintain its level of excellence, achieve its strategic goals, and reach a position of greater influence as a leader of women's education. The Scripps Board of Trustees currently contains members between the ages of 21 and 80, with the majority between 46 and 65.

In addition, the College has “Life Trustees.” Trustees who have served with distinction for some minimum period of service, whose commitment to the institution remains strong, and who cannot or should not be expected to meet the same obligations as regular trustees, are eligible to become Life Trustees. Ideally, it makes good sense to keep volunteers engaged at a certain level and to honor their past service to the Board and the institution. Life Trustees are permitted to attend meetings of the Board of Trustees, but they are not legally trustees or directors under California law. As a practical matter, this means that they cannot vote at the full Board level or be counted for quorum purposes.

- **How often does the Board of Trustees meet?**

The Scripps College Bylaws require the Board of Trustees to meet at least four times a year. Typically, the Board meets in October, December, March, and May. Historically, the March meeting is an annual retreat, often held off campus. The Board may also hold special meetings or conference calls as needed throughout the year.

- **Who is in charge of a meeting of the Board of Trustees?**

The Chair of the Board runs meetings of the Board of Trustees. In the absence of the chair, the vice chair runs the meeting. Of course other trustees, including the president, may have responsibility for leading the discussion of certain items on the agenda. At the committee level, the committee chair or, in his or her absence, the committee vice chair runs the meeting.

- **Who attends meetings of the Board of Trustees?**

In addition to trustees and Life Trustees, the vice presidents and the members of the president’s immediate staff attend the regular session of all board meetings. They are, however, excused from executive session with the exception of the vice president/secretary of the board. The president of the College, a trustee under the College’s bylaws by virtue of her position, remains for executive session. Sometimes guests are invited to attend all or part of a board meeting.

- **How is the Board of Trustees staffed at the College?**

The Board Office, consisting of a vice president/secretary of the board, an assistant to the secretary of the board, and an administrative coordinator, provide day-to-day administrative support to the Board. The Board Office’s responsibilities are quite varied but include sending out notices of meetings; working with the Chair of the Board, the President, the VPs, and others to prepare the agendas; preparing and compiling meeting materials; coordinating all meeting logistics; helping to ensure that the work of the Board is carried out in compliance with the bylaws; maintaining official board records; and taking minutes at full Board and Executive Committee meetings.

- **What is shared governance?**

Shared governance refers to governance of the College in which responsibility is shared by faculty, students, and trustees. Faculty have primary responsibility for curriculum, subject matter and methods of instruction, research, faculty personnel actions, and other aspects relating to the educational process; students have responsibility for student life and activity at the College and for student input at the Board level; and trustees are responsible for strategic planning, fundraising, and overall College governance, including compliance with law.

Board of Trustees: Basic Terminology Defined

❖ What is an agenda?

This question might seem silly and the answer obvious, but the importance of the agenda to a well-run full Board or committee meeting cannot be emphasized enough. The agenda, along with the minutes and meeting materials, is part of the formal record of the meeting. The agenda sets the framework for the meeting – its direction and focus. It establishes the topics that will be discussed; how much time will be devoted to each topic; who will lead the discussion on the topic; and, importantly, whether it is anticipated that action (a vote) will be taken on the item at the meeting. The agenda often has time for "executive session" when trustees meet without staff present. The agenda also indicates by use of the term "Reference" whether there are background materials that will inform the discussion of a particular item. If one thinks about the overarching purpose of a nonprofit board – to ensure that the organization is carrying out its mission – a robust agenda is critical to fulfilling this goal.

❖ What are bylaws?

Bylaws are written rules that lay out how an organization such as Scripps College is governed and guided, and how the Board goes about its business. State law, so in this case California law, dictates to some extent what is included in bylaws. Bylaws typically address the following: the size of the Board; the classes of trustees; how trustees are elected; the terms of trustee service; the definition of officers and their respective duties; the committee structure; the responsibilities of standing committees; and the minimum number of meetings to be held per year and other issues relating to meetings, such as what constitutes proper meeting notice and what constitutes a quorum.

❖ What is a call to meeting?

The College's bylaws and California law requires that formal notice of meetings be provided to all participants. The regular meetings of the Board and the standing committees are set well in advance of the start of the academic year, and this schedule is sent out by the Board Office in early September**.** In addition, the Scripps College Board Office sends out a call to meeting – a formal invitation and reminder that your attendance at the next committee meeting is requested – approximately three weeks in advance of the meeting using "Survey Monkey."

❖ What is executive session?

Executive sessions are closed discussions of trustees or committee members without staff present. At Scripps, these sessions generally occur at the end of the Board or committee meetings, and at the full Board, there is usually one executive session with the president and the secretary of the board in attendance and one without their participation. When you consider the Board's fiduciary duties and governance responsibilities, executive sessions are an opportunity for trustees to discuss and reflect on matters in a candid and open manner and to foster independent decision-making. Executive sessions are also a time for the discussion of confidential or sensitive legal, personnel, or other matters.

❖ What are minutes?

Minutes are the formal, written legal record of a meeting of the full Board or a committee of the Board. They contain a list of attendees, a record of when the meeting began and ended, and a high-level description of items discussed, organized by agenda item. Importantly, the minutes record action taken on a formal vote and whether a quorum was present. Minutes are formally approved at the subsequent meeting of the full Board or committee.

❖ **What is a motion?**

A motion is a formal proposal by a member of the Board or a committee that action be considered and taken, often on a resolution, by the entire body. The person making the motion is typically called the "mover." Although there are some exceptions, generally speaking, once the motion has been proposed, another member of the Board or committee must "second" it in order for there to be consideration and a vote by the entire body. Once discussion of the motion has concluded, the chair of the meeting calls for a vote and announces the results. One very simple example of this process occurs at the beginning of almost every board and committee meeting when the chair of the meeting asks for a motion and a second to approve the minutes from the last meeting. Of course, this process cannot take place unless there is a quorum (see below).

❖ **What is an officer?**

In general, officers of a nonprofit consist of the president/executive director/CEO, secretary of the board, treasurer/chief financial officer, and chair and vice chair(s) of the board. At Scripps, the vice president for academic affairs/dean of the faculty is also an officer. The officers have overall responsibility for the College, with the president responsible for managing the day-to-day activities directly and by delegating responsibilities to the senior management team.

❖ **What is a quorum?**

A quorum is the minimum number of voting members of the Board or a committee who must be present at a meeting in order to take action on an agenda item. Actions range from routine business such as approving the meeting minutes, to important annual decisions such as approving the operating budget, to special decisions such as authorizing a capital project (such as a new building). At Scripps, a majority of the trustees, not including Life Trustees, must be present at any meeting in order to constitute a quorum. At the committee level, one-third of the members of each committee constitute a quorum.

❖ **What is a resolution?**

A resolution is an action that will be voted on by the Board or a committee of the Board. It is often even first voted on by a committee and then, upon the committee's recommendation, the full Board. Resolutions can be on any number of topics – for example, honoring a departing trustee; granting Life Trustee status; authorizing the College to move forward with a loan, the purchase of real estate, or a capital project; a significant change in policy that has budgetary implications; or authorizing an amendment to the College's bylaws. Resolutions, and the outcome of the votes thereon, are recorded in the minutes.

Board Committees: An Overview

❖ What is the purpose of committees?

Committees are indispensable to the efficient and informed operation of a board. Because the Board has governance and oversight responsibility for many areas, it depends to a large extent on the work of the Executive Committee and its other standing committees to carry out its responsibilities and to make recommendations to the full Board for consideration and action. In 2018, the Board approved a pilot committee structure for the 2018-2019 year. An evaluation will be conducted at the end of the year to assess the success of the pilot committee structure and its possible permanent continuation.

❖ What is a standing committee?

Standing committees are permanent sub-units of the Board, each with a unique charge and responsibility for a specific set of issues. The following is a list of Scripps College standing committees as established in its bylaws Appendix I of Article IV (the committees in **bold** having student and faculty representation). The bylaws also contain a description of the mandate for each committee.

- Audit, Risk, and Compliance
- Executive
    - Compensation Sub-committee
- **Financial Stewardship**
    - Investment Sub-committee
- **Mission Fulfillment**
- **Scripps Beyond**
- Trusteeship & Governance

Standing committees consider and debate issues within their area of expertise and recommend decisions and actions to the full Board for consideration. For example, each year the Financial Stewardship Committee considers the operating budget and recommends it to the full Board for review and adoption. The Trusteeship & Governance committee might consider a candidate for trusteeship and recommend his or her election to the Board.

❖ What is the Executive Committee?

The Executive Committee is a standing committee of the full Board. The Executive Committee is made up of the chair and vice-chair(s) of the Board, the president of Scripps College, the chairs and co-chairs of each standing committee of the Board of Trustees, and the immediate past board chair. It meets approximately five times a year in-between meetings of the full Board, and one of its regular agenda items is to review the agendas for the next full Board and committee meetings. Significantly, what distinguishes the Executive Committee from other standing committees of the Board is that it has the power and authority of the full Board when the full Board is not in session, with certain clearly defined exceptions by law and bylaw (for example, the Executive Committee cannot enter into contracts for the purchase of property or land, or amend the bylaws). Since the full Board is large and meets only a few times a year, vesting these powers in the Executive Committee allows important business to move forward in-between meetings.

❖ **What is an ad hoc committee?**

What distinguishes ad hoc committees from standing committees is that ad hoc committees are not permanent. Instead, ad hoc committees are established on a temporary basis to accomplish a particular task or make recommendations on a specific issue or set of issues. For example, in 2011, the Board set up the Ad Hoc Committee for Funding Capital Projects. Its mandate was to review the various capital and land acquisition projects that Scripps intended to complete in the near future, and to assess the capacity of the College to do so. When it completed its work in spring 2013, it disbanded.

❖ **What is a sub-committee?**

A sub-committee is a subset of a larger committee formed to consider a specific issue and make recommendations to the full committee, which may, in turn, make recommendations to the full Board.

❖ **Who is in charge of committees?**

The chair(s) of the committee or, in the absence of the chair, the vice chair run the committee meeting. Of course other trustees, including the president, a vice president, or a member of the vice president's staff may have responsibility for leading the discussion of certain items on the agenda. Also, each committee is supported by a vice president (see below for the basic staffing structure) and at least one other staff person. Committee leadership works with the vice president liaison to develop the agenda and materials for each committee meeting.

Audit, Risk, and Compliance Committee

- Vice President for Business Affairs/Treasurer: Dean Calvo
- Vice President/Secretary of the Board: Denise Nelson Nash

Executive Committee

- Vice President/Secretary of the Board: Denise Nelson Nash

Compensation Sub-Committee

- Vice President/Secretary of the Board: Denise Nelson Nash (with the Director of HR)

Financial Stewardship Committee

- Vice President for Business Affairs/Treasurer: Dean Calvo
- Vice President for Academic Affairs/Dean of Faculty: Amy Marcus-Newhall
- Vice President for Enrollment: Victoria Romero

Investment Sub-Committee

- Vice President for Business Affairs/Treasurer: Dean Calvo

Mission Fulfillment Committee

- Vice President for Academic Affairs/Dean of Faculty: Amy Marcus-Newhall
- Vice President for Student Affairs/Dean of Students: Charlotte Johnson
- Vice President for Enrollment: Victoria Romero

Scripps Beyond Committee

- Vice President for External Relations/Institutional Advancement: Binti Harvey
- Vice President for Student Affairs/Dean of Students: Charlotte Johnson
- Vice President/Secretary of the Board: Denise Nelson Nash

Trusteeship & Governance Committee

- Vice President/Secretary of the Board: Denise Nelson Nash
- Vice President for External Relations/Institutional Advancement: Binti Harvey

In addition, Vice President for Enrollment Victoria Romero and Vice President for External Relations/ Institutional Advancement Binti Harvey both report out at each Executive Committee and full Board meeting.

❖ **How does the work of a committee get reported to the full Board?**

Because the work of committees is so fundamental to the smooth, efficient, and informed operation of the Board (see committees and standing committees above), it is essential that the work of the standing committees be communicated in a transparent and robust manner to the full Board. At Scripps, the communication happens in a variety of ways with respect to all committees except the Executive Committee (more on that below). First, each committee meeting day ends with committee briefings. The leadership from each committee will share actions and key discussions with those attending the briefings. Second, at each meeting of the full Board, committee chairs provide written summaries highlighting key topics discussed at the last meeting of the committee. Third, when the committee is recommending significant board action, there will be time allotted on the full Board agenda for consideration and debate about that particular issue.

With respect to the Executive Committee – which has the power and authority of the full Board when the full Board is not in session – at every meeting of the full Board, the Board Chair reports on the prior meeting of the Executive Committee, including any actions or decisions made while the Board was not in session.