## 2.C - Core Component 2.C

The governing board of the institution is autonomous to make decisions in the best interest of the institution in compliance with board policies and to ensure the institution’s integrity.

1. The governing board is trained and knowledgeable so that it makes informed decisions with respect to the institution’s financial and academic policies and practices; the board meets its legal and fiduciary responsibilities.
2. The governing board’s deliberations reflect priorities to preserve and enhance the institution.
3. The governing board reviews the reasonable and relevant interests of the institution’s internal and external constituencies during its decision-making deliberations.
4. The governing board preserves its independence from undue influence on the part of donors, elected officials, ownership interests or other external parties.
5. The governing board delegates day-to-day management of the institution to the institution’s administration and expects the institution’s faculty to oversee academic matters.

### Argument

**2.C.1 The governing board is trained and knowledgeable so that it makes informed decisions with respect to the institution’s financial and academic policies and practices; the board meets its legal and fiduciary responsibilities.**

The power and authority to manage Purdue University are vested by state law in a Board of Trustees appointed by the Indiana Governor. [Indiana Code](https://www.pfw.edu/offices/accreditation/2020-comprehensive-evauluation/2020-self-study/Core-Component-2C/Governance_Indiana%20Code%20Purdue_INC-9-21-2020.pdf?language_id=1) specifies the powers and duties of Purdue’s Board of Trustees (Page 7). The board’s major responsibilities include:

* Determining student admission standards and awarding financial aid
* Approving all academic degrees
* Setting tuition, fees, and other charges
* Establishing policies for the investment of University funds
* Approving promotions and tenure of faculty
* Approving the appointment of University officers and deans
* Regulating student, faculty, and employee conduct
* Approving the establishment of academic and operational divisions of the University
* Managing University property

The board comprises 10 trustees, nine of whom are appointed for three-year terms, and a student member, who serves a two-year term. Seven members are selected by the Governor of Indiana. The remaining three are selected by the Purdue Alumni Association from among its members and must all be Purdue graduates, with at least one being from the College of Agriculture. The Governor selects the student trustee from a list of nominees forwarded by Purdue Student Government.

[The Board of Trustees Bylaws](https://www.pfw.edu/offices/accreditation/2020-comprehensive-evauluation/2020-self-study/Core-Component-2C/Board%20of%20Trustees%20Bylaws%20as%20amended%20aug%202018.pdf?language_id=1) (BOT Bylaws) specify the Trustee Code of Conduct in Appendix A.  The Code of Conduct commits Board Members to develop knowledge of Board operations and their duties as Trustee.  Trustees are charged to:

* Spend time, thought and study of his or her duties as a member of the Board of Trustees
* Learn how the university functions - its uniqueness, strength, and needs - and its place in post-secondary education

The Code of Conduct explicitly requires Trustees to make informed choices and to understand and uphold its fiduciary responsibilities as evidenced by statements in the Code of Conduct:

* A Trustee shall accept and abide by the legal and fiscal responsibilities of the Board as specified in federal and state law, the regulations, rules of procedure, policies and resolutions of the Board of Trustees, and the University Statement of Integrity and Code of Conduct.
* A Trustee shall base his or her vote upon all information available in each situation and shall exercise his or her best judgment in making decisions which affect the course of Purdue University.
* A Trustee shall maintain the confidential nature of Board deliberations in executive sessions. This includes written and verbal communication concerning the executive sessions. The Chairman shall serve as the spokesperson for the Board. Other Trustees shall avoid acting as spokesperson for the Board unless specifically authorized to do so.
* A Trustee shall learn and consistently use designated institutional channels when conducting Board business (e.g., responding to faculty and student grievances, responding to inquiries concerning the status of a presidential search).
* A Trustee shall comply with conflict of interest policies and requirements prescribed in the Bylaws and under state law. A Trustee shall refrain from accepting duties, incurring obligations, accepting gifts or favors, engaging in private business or professional activities when there is, or would appear to be, a conflict or incompatibility between the Trustee’s private interests and the interests of Purdue University.

All new trustees participate in a two-day orientation program during which they meet several
university leaders, including student leaders. Newly elected trustees begin their terms July 1 and will
participate in orientation prior to the next BOT meetings in early August. Trustees also receive more
formal training in the board’s non-public executive sessions about their role as public officials.

 **2.C.2 The governing board’s deliberations reflect priorities to preserve and enhance the institution.**

The Board of Trustees is charged to provide critical oversight for the well-being of the university facilitated through deliberations and recommendations of five committees:

1. Academic and student Affairs Committee
2. Audit and Risk Management Committee
3. Compensation Committee
4. Finance Committee
5. Physical Facilities Committee

The Executive Committee serves as an additional committee with the authority to exercise all powers of the board during periods between Board Meetings.

The BOT Bylaws specify, "A Trustee shall act and make judgments always on the basis of what is best for Purdue University as a whole and for the advancement of higher education in general."

**2.C.3  The governing board reviews the reasonable and relevant interests of the institution’s internal and external constituencies during its decision-making deliberations.**

﻿Pursuant to Indiana law, the Board of Trustees exists to take all actions necessary and expedient to keep Purdue in operation and has the authority to make all bylaws, rules and regulations required or proper to conduct and manage Purdue. Pursuant to Indiana Code IC 21-23 and IC 21-27-7, the Board of Trustees consists of ten members. Three members of the Board are elected by the Purdue Alumni Association, one of whom must be a graduate of the College of Agriculture. The governor appoints the remaining seven members of the Board, including a student trustee. All members of the Board serve three-year terms, with the exception of the student, who serves for two years. The trustees’ terms begin on July 1 and end on June 30.

The board has five committees, which provide critical oversight for the well-being of the University:

\* Academic and Student Affairs Committee, which oversees academic functions.

\* Audit and Risk Management Committee, which oversees the University's financial position, risk profile and risk financing mechanisms.

\* Compensation Committee, which oversees the recruitment, compensation and retention of the president, other senior administrators, officers and coaches.

\* Finance Committee, which oversees the treasurer’s management of the University’s investments, funds and trusts, and debts.

\* Physical Facilities Committee, which oversees construction and renovation of University facilities, including student housing.

In addition, there is an Executive Committee, which may exercise all powers of the board during periods between its meetings.

Purdue University Fort Wayne is served by the board and regularly included in the six regularly scheduled board meetings and committee meetings as evidenced by [Purdue University Board Agenda](https://www.pfw.edu/offices/accreditation/2020-comprehensive-evauluation/2020-self-study/Core-Component-2C/2020%20Purdue%20Board%20Agenda.pdf?language_id=1).

**2.C.4  The governing board preserves its independence from undue influence on the part of donors, elected officials, ownership interests or other external parties**

The policies of the Purdue Board of Trustees (BOT), as established by the State of Indiana, ensure the autonomy of the board and acknowledge the Board’s ability to manage all universities within the Purdue University System. The BOT code of ethics stresses that the BOT responsibility to understand how Purdue University functions which includes understanding the priorities of its regional institutions and responsibility to act in ways that enhance both the Purdue University system and the individual institutions within the system.

In addition to the University’s Board of Trustees, the Indiana Commission for Higher Education (ICHE) coordinates publicly supported higher education in the state of Indiana. The commission
is a 14-member, statewide group, appointed by the Governor. Created by the Indiana General Assembly in 1971, ICHE is specifically prohibited by law from having any powers or authority relating to the management, operation, or financing of the state’s public universities. The
role of ICHE is to:

* Plan and coordinate the state-supported system of postsecondary education
* Review appropriation requests for postsecondary education and make recommendations to the governor, the State Budget Agency, and the General Assembly
* Approve or disapprove the establishment of any new branches, campuses, extension centers, colleges or schools, and the offering of any new degree programs at the state’s public institutions

The Bylaws define conflict of interest and specify procedures for ensuring independence from undue influence"

A Trustee shall be considered to have a conflict of interest if: (a) such Trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such Trustee’s independent, unbiased judgment in the discharge of his or her responsibilities to the University (which for the purposes of this Article shall include any of its subsidiaries or affiliates) or (b) such Trustee is aware that a member of his/her family (which for the purposes of this Article shall be a spouse, parents, siblings, children, and any other relative if the latter resides in the same household as the Trustee), or any organization in which such Trustee (or member of his or her family) is an officer, director, employee, member, partner, or trustee, or has a controlling interest, or has an existing or potential financial or other interest. All Trustees shall avoid such actual or possible conflicts of interest, and disclose to the Board any possible conflict of interest at the earliest practicable time. No Trustee shall speak on any matter under consideration at a Board or Committee meeting without first disclosing the actual or possible conflict of interest; and no Trustee shall vote on any matter in which there is or could be a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Trustee abstained from voting. Any Trustee who is uncertain whether a conflict of interest may exist in any matter may request the Board or Committee to resolve the question by majority vote.

**2.C.5 The governing board delegates day-to-day management of the institution to the institution’s administration and expects the institution’s faculty to oversee academic matters**.

The Code of Conduct clearly specifies the role of the Board as a policy making and oversight body.

A Trustee shall understand the role of the Board as a policy making and oversight body and avoid active involvement in administration of that policy unless specifically authorized to do so by the Board.

### Sources

* Board of Trustees Bylaws as amended aug 2018
* Governance\_Indiana Code Purdue\_INC

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| Purdue University Fort Wayne - IN - Assurance Argument - 3/7/2021 0 |