

The University of Memphis Board of Trustees – Code of Ethics

Each member of the Board of Trustees is responsible for ethical conduct consistent with this Code of Ethics and with the University's bylaws. The Code of Ethics is a statement of belief in each trustee's fiduciary duty to act ethically, professionally, and in compliance with any applicable laws and regulations in all dealings within the University.

I. Governance

- a. **Public Trust.** The General Assembly of the State of Tennessee has vested the management and governance of each state university in the institution's state university board, subject to certain powers and duties maintained by the Tennessee higher education commission.¹ Trustees hold a position of public trust and are expected to carry out their governance responsibilities in an honest, ethical and diligent manner.
- b. **Time Commitment.** In undertaking the duties of the position, a Trustee shall make the commitment of time necessary to carry out the Trustee's governance responsibilities. A Trustee must regularly attend and actively participate in board and committee meetings and special assignments.
- c. **Duty of Care.** Trustees must discharge their duties, including duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Trustee reasonably believes to be in the best interest of the University. Trustees shall promote a culture of constructive debate about major initiatives and transactions and shall require management to provide information necessary to carry out the Trustees' duty of care to act in the best interest of the University. Trustees shall maintain confidentiality, as allowed by law, regarding Board or administrative decisions or future actions.
- d. **Trustee Authority.** Except as otherwise provided by law or bylaw, Trustees shall have no legal authority to act outside of Board meetings. Trustees shall avoid acting as a spokesperson for the entire Board unless specifically authorized to do so.

II. Conflicts of Interest

- a. **Conflicts of Interest Policy.** Trustees shall abide by the Conflicts of Interest Policy for the University Board of Trustees, as amended from time to time. Upon appointment and annually thereafter, Trustees shall file a financial disclosure form as required by the Conflicts of Interest Policy. The Audit Committee of the Board shall monitor compliance with the Conflicts of Interest Policy for Trustees.
- b. **Personal Benefit or Gain.** Trustees shall not use the authority, title, prestige, or other attribute of the office for personal benefit or gain for themselves, for any relative, or for any other person which would be inconsistent with the public interest. Per state law, it is unlawful for a Trustee, or Trustee's "immediate family²," to be financially interested in any contract or transaction affecting the interests of the University, or to procure, or be a party in any way to procuring the appointment of any relative to any position of financial trust or profit connected with the University.³

¹ Tenn. Code Ann. § 49-8-101(a)(2)(B)

² "Immediate family" means spouse, dependent children or stepchildren, or relatives related by blood or marriage.

³ Tenn. Code Ann. § 49-8-203(g).

- c. **Prohibition against Receiving Gifts, Money, or Anything of Value.** No Trustee shall accept or receive, directly or indirectly, from any person, firm, or corporation to whom any contract for the purchase of goods or services for the state may be awarded, by rebate, gifts, or otherwise, any money or anything of value whatsoever, or any promise, obligation, or contract for future rewards or compensation.⁴ Furthermore, Trustees shall not knowingly accept gifts, favors, or gratuities from other persons or entities, including other trustees, that might affect or might have the appearance of affecting a Trustee's judgment in impartially performing the duties of the office. This section is not intended to preclude acceptance of benefits that would otherwise inure to a University donor.
- d. **Prohibition against Interfering with Work of University Employees.** Except for the purposes of inquiry or information, no trustee shall give direction or interfere with any employee, officer, or agent under the direct or indirect supervision of the chief executive officer of the University.⁵

III. Compliance

- a. **Reporting violations.** Anyone who believes that he or she has information indicating that an appointed Trustee has violated the Code of Ethics shall make a written disclosure of the facts and circumstances to the Chair of the Board Governance Committee or in the alternative, to the University auditor. The Chair of the Board Governance Committee shall refer alleged violations of the Code of Ethics or the Conflict of Interest Policy for Trustees to the Audit Committee. The Audit Committee shall review the allegations and determine whether removal proceedings should be initiated against the Trustee for a material violation of the Code of Ethics.
- b. **Hearing and Removal.** A Trustee may be removed from the Board for a material violation of the code of ethics by a two-thirds (2/3) majority vote of its membership. A Board vote to remove a Trustee shall only be taken after the accused Trustee has been afforded a due process contested case hearing in accordance with the Uniform Administrative Procedures Act and a finding has been made that the member did violate the board's code of ethics.⁶
- c. **Certification.** Upon appointment and annually thereafter, Trustees shall be provided with the Code of Ethics and shall certify in writing that they have read the Code of Ethics and will comply with its provisions.

Effective Date/Revisions: June 6, 2017

⁴ Tenn. Code Ann. § 12-4-106(a)

⁵ Tenn. Code Ann. § 49-8-203(h)

⁶ Tenn. Code Ann. § 49-8-204(b)-(d)