



# RESOURCE MANUAL

for The Principles of Accreditation:  
Foundations for Quality Enhancement



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## SECTION 4: Governing Board

- 4.1** The institution has a governing board of at least five members that
- (a) is the legal body with specific authority over the institution.**
  - (b) exercises fiduciary oversight of the institution.**
  - (c) ensures that both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, personal, or familial financial interest in the institution.**
  - (d) is not controlled by a minority of board members or by organizations or institutions separate from it.**
  - (e) is not presided over by the chief executive officer of the institution.**
- (Governing board characteristics)* [CR]

### Rationale and Notes

The institution's governing board holds in trust the fundamental autonomy and ultimate well-being of the institution. As the corporate body, the board ensures both the presence of viable leadership and strong financial resources to fulfill the institutional mission. Integral to strong governance is the absence of undue influence from external sources.

The authority of the board is established in official documentation. The board is aware of its fiduciary responsibilities and carries them out based on accurate information about the operations of the institution. Members of the governing board act with authority only as a collective entity.

To ensure the objectivity of the board's collective interests, care is taken to restrict the potential for conflicts of interest to affect decisions and to ensure that the board's independence is maintained. This is especially important when it comes to the role of the presiding officer of the board. Although a *minority* of Board members may have contractual, employment, personal, or familial financial interests in the institution, direct compensation for board service is prohibited. Board members, including the presiding officer, however, may receive reimbursement for expenses in accordance with board policy. Any member with contractual, employment, personal or familial financial interests in the institution must recuse himself or herself from discussions and votes when appropriate (see Standard 4.2 d.).

#### NOTE

*An institution is required to provide narrative and supporting documentation for each of the expectations embedded in the requirement above. Institutions may want to include subheadings in their narratives to ensure all parts of the standard are covered. The size of the board can be included under part 4.1(a).*

*For military institutions authorized and operated by the federal government to award degrees, responses to Standard 4.1 should address the following (see SACSCOC policy [Military Institutions](#)):*

- 4.1(a) The institution has a public board of at least five members that which has broad and significant influence on the institution's programs and operations and plays an active role in policy-making.*
- 4.1(b) The board ensures that the financial resources of the institution are used to provide a sound educational program.*
- 4.1(c) The board ensures that both the presiding officer and a majority of the other members are neither civilian employees of the military nor active/retired military. Both the presiding officer of the board and a majority of other voting board members are free of any contractual, employment, personal or familial financial interest in the institution.*
- 4.1(d) The board is not controlled by a minority of board members or by organizations or interests separate from the board except as specified by the authorizing legislation.*
- 4.1(e) The board is not presided over by the chief executive officer of the institution.*

### Questions to Consider

- What is the structure of the governing board and its committees?
- How are governing board members and the presiding officer elected or appointed?
- How are board members apprised of their responsibilities, including fiduciary responsibilities?
- What evidence is there that the governing board controls the institution?
- How often do the governing board members meet and is their agenda appropriate for their responsibilities?
- What is the process to vet board members for their possible financial interests in the institution? Who keeps track of this information?
- Is there an executive committee? If so, how does the executive committee report to the full board?
- How is a quorum defined?
- What safeguards are in place to prevent control of the board by a minority of members?
- How is the board's presiding officer selected, and who is the presiding officer?
- What is the relationship between the institution's chief executive officer and the institution's governing board?

## Sample Documentation

- Organizational chart that shows the relationship of the governing board to the institution. This is especially important when board functions do not reside within a single board.
- Bylaws, charter, articles of incorporation, enabling statute, or other documentation to establish the legal authority of the governing board.
- A list of the names of all board members with their occupations, terms of office, and their contractual, employment, personal, or familial financial interests in the institution.
- For private, for-profit institutions, a list of individual stockholders who hold more than 5% of the stock, or the top 20 stockholders.
- Minutes of governing board meetings and executive committee meetings.
- Documents used in ethics training and for conflict-of-interest disclosures of board members.
- Evidence on how board members receive orientation to their duties.

## Reference to SACSCOC Documents, If Applicable

SACSCOC Policies:     [Integrity and Institutional Obligations to SACSCOC](#)  
                                  [Governing, Coordinating, and Other State Agencies: Representation on](#)  
                                  [Evaluation Committees](#)  
                                  [Military Institutions](#)

SACSCOC Position Statement:     [The Impact of Budget Reductions on Higher Education](#)

## Cross-References to Other Related Standards/Requirements, If Applicable

Standard 4.2.a    *(Mission review)*  
Standard 4.2.b    *(Board/administration distinction and shared governance)*  
Standard 4.2.c    *(CEO evaluation/selection)*  
Standard 4.2.d    *(Conflict of interest)*  
Standard 4.2.e    *(Board dismissal)*  
Standard 4.2.f    *(External influence)*  
Standard 4.2.g    *(Board self-evaluation)*  
Standard 4.3     *(Multi-level governance)*  
CR 13.1          *(Financial resources)*

**4.2.a** The governing board ensures the regular review of the institution's mission.  
(Mission review)

### Rationale and Notes

The institution's governing board formally approves and periodically reviews the institution's mission statement. The board, in its review, reaffirms the mission statement and whether changes are made, thereby maintaining a cognizance of the previously agreed-upon scope of institutional activities and ensuring that institutional policies, procedures, and activities remain compatible with and included in the mission statement.

#### NOTE

*SACSCOC expects that a reasonable periodic review of the institution's mission would occur at least every five years.*

### Questions to Consider

- Is review of the mission statement a regular expectation of the governing board?
- What is the process for mission review and approval of changes?
- What event or events trigger a review of the mission of the institution?

### Sample Documentation

- Governing board minutes documenting review.
- A schedule of periodic review consistent with the minutes.

### Reference to SACSCOC Documents, If Applicable

None noted.

### Cross-References to Other Related Standards/Requirements, If Applicable

CR 2.1 (Institutional mission)

- 4.2.b** The governing board ensures a clear and appropriate distinction between the policy-making function of the board and the respective responsibilities of the administration and faculty to administer and implement policy.  
*(Board/administrative distinction and shared governance)*

### Rationale and Notes

Effective governance includes clearly defining the roles and responsibilities of the governing board, administration, and faculty and ensuring that each of these groups adheres to their appropriate roles and responsibilities. While it is important that the overall mission and overarching policies of the institution are approved by the board, the administration and implementation of the general direction set by the board are carried out by the administration and faculty in order to prevent the board from undercutting the authority of the president and other members of the administration and faculty, thereby creating an unhealthy and unworkable governance structure. To ensure a clear understanding of separate roles and responsibilities, the distinctions should be delineated in writing and disseminated to all appropriate constituents.

### Questions to Consider

- Does the organizational structure of the institution reflect a distinction in lines of authority?
- Do board materials (bylaws, manuals, etc.) reflect the distinction in roles and responsibilities? Do administrative materials also reflect this distinction?
- Are there clear examples in practice of the distinction between the board setting direction and the administration and faculty implementing policies?
- If this board/administrative distinction has been blurred, what steps were taken to address concerns?

### Sample Documentation

- Governing board bylaws, policy manuals, orientation materials, or other formal documents that can demonstrate that this distinction exists in writing.
- Administrative or faculty handbooks that demonstrate the distinction.
- Governing board minutes that reflect practice.
- Administrative minutes (e.g., CEO's cabinet).
- Faculty meeting minutes.

### Reference to SACSCOC Documents, If Applicable

None noted.

## Cross-References to Other Related Standards/Requirements, If Applicable

|                |   |
|----------------|---|
| CR 4.1         | ( <i>Governing board characteristics</i> )      |
| Standard 4.2.g | ( <i>Board self-evaluation</i> )                |
| Standard 5.2.a | ( <i>CEO control</i> )                          |
| Standard 5.2.b | ( <i>Control of intercollegiate athletics</i> ) |
| Standard 5.2.c | ( <i>Control of fund-raising activities</i> )   |
| Standard 10.4  | ( <i>Academic governance</i> )                  |
| Standard 13.4  | ( <i>Control of finances</i> )                  |

### **4.2.c** The governing board selects and regularly evaluates the institution's chief executive officer. (*CEO evaluation/selection*)

#### Rationale and Notes

One of the key responsibilities of the governing board is to select the institution's chief executive officer and to evaluate the CEO's performance. Few trustee activities are as consequential to the institution's future and wellbeing as selecting the best possible CEO, and few activities provide a better opportunity for assessing the institution's present condition and future needs. While some aspects of this responsibility may be delegated within a complex system of higher education institutions, the board retains its obligation for knowledge of CEO effectiveness, overseeing these processes, and ultimately making decisions regarding CEO retention, contract renewal, and dismissal.

#### NOTE

*SACSCOC expects that a reasonable periodic evaluation would occur at least every three years.*

#### Questions to Consider

- Is there a formal process or outline of a process for selection of a CEO? If so, was that process followed in prior CEO searches?
- Is the process for evaluation of the CEO published? If so, is that process followed?
- If processes for selecting and evaluating the CEO are not formalized, how does the governing board manage these obligations?
- If aspects of these processes are delegated to others (e.g., within a system of institutions), how does the governing board ensure they are carried out, and what is the governing board's oversight role?

#### Sample Documentation

- Governing board documents that outline the CEO selection and evaluation role of the board.
- The two most recent evaluations of the CEO, or evidence of their completion (e.g., board minutes).

- If a recent presidential search has occurred, details on the process used for the selection.
- Board minutes dealing with selection of the CEO.

### Reference to SACSCOC Documents, If Applicable

None noted.

### Cross-References to Other Related Standards/Requirements, If Applicable

CR 4.1 (Governing board characteristics)

#### **4.2.d** The governing board defines and addresses potential conflict of interest for its members. (*Conflict of interest*)

#### Rationale and Notes

To maintain the integrity of the educational enterprise, the governing board—responsible for establishing broad institutional policies—should be free of inappropriate influence. Although potential conflicts cannot be eliminated, they should be effectively managed to avoid even the appearance of any conflict of interest as board members carry out their duties. This standard assumes publication and consistent implementation of a conflict-of-interest policy for board members. There is an expectation of some structure and *a priori* thought about what constitutes a conflict of interest (note the term “defines” in the standard).

#### NOTE

*While it would be very unusual to have a situation where no board issue ever reflected a conflict-of-interest situation for at least one board member, if that is the case, the institution should say so and then explain the process that would be followed if conflict-of-interest did arise.*

#### Questions to Consider

- Has the board defined in writing what is considered a conflict of interest?
- How are governing board members informed of the existence of the policy?
- What are the expectations of board members if there is a conflict of interest on a board issue?
- Does the governing board consistently apply its policy?
- How does the policy protect the integrity of the institution?



## Sample Documentation

- A copy of the governing board's policy and process regarding board member conflicts of interest.
- Details as to how board members are informed of the policy.
- Governing board minutes or other evidence of the implementation of the policy (e.g., relevant board orientation materials).
- Filled-out forms or statements (not blank ones) if used by board members to note known conflicts.
- Evidence of implementation of the board's bylaws/policy, or a statement of absence of incidences.

## Reference to SACSCOC Documents, If Applicable

This standard requires a policy or procedure. See Appendix A of this *Manual* for implications. See also:

SACSCOC good practices: [Developing Policy and Procedures Documents](#)

## Cross-References to Other Related Standards/Requirements, If Applicable

CR 4.1 (Governing board characteristics)

Standard 4.2.f (External influence)

Standard 4.2.g (Board self-evaluation)

**4.2.e** The governing board has appropriate and fair processes for the dismissal of a board member. (*Board dismissal*)

## Rationale and Notes

Members of the governing board need to exercise their responsibilities without fear of retaliatory measures, such as removal from office by arbitrary or capricious means. Substantive and procedural processes protect the interests of the institution and the members of the governing board. A fair process, in most cases, should include some mechanism for board members to have their response to charges for dismissal heard.

The removal of board members at public institutions is often subject to statutory language. In such cases, any institutional policies and procedures for dismissal of a board member should be consistent with the statutes, as should any actions taken to remove a board member or to replace an entire board.

### NOTE

*If the institution has had no cause to dismiss a governing board member and, therefore, has not applied its policy, it should indicate that examples of implementation are unavailable because no such dismissals have taken place. That said, the institution should provide evidence of the policy and procedures in place to guide board actions.*

## Questions to Consider

- What is the institutional policy that governs the removal of a governing board member from office?
- Who elects/appoints governing board members? Who has the authority to remove board members?
- If board member removal is subject to statutory procedures, is board policy consistent with legal requirements?
- Does the policy or procedure offer specific grounds for potential board dismissal?
- Does the policy or procedure specify a process for dismissal?
- Would a reasonable person find that process to be fair?

## Sample Documentation

- Governing board documents (e.g., bylaws, manuals) that outline the grounds and process for board member dismissal.
- Details on how board members access this information.
- Examples of how the policy has been implemented, if applicable.

## Reference to SACSCOC Documents, If Applicable

This standard requires an institutional policy. See Appendix A of this document for implications. See also:

SACSCOC good practices: [Developing Policy and Procedures Documents](#)

## Cross-References to Other Related Standards/Requirements, If Applicable

None noted.

### **4.2.f** The governing board protects the institution from undue influence by external persons or bodies. (*External influence*)

## Rationale and Notes

Effective governing boards adhere to the laws and regulations that underpin the institution's legitimacy while championing its right to operate without unreasonable intrusions by governmental and nongovernmental agencies and entities. This applies to any governing board, whether public, private not-for-profit, or private for-profit. The board protects and preserves the institution's independence from outside pressures.

“Undue” influence does not mean “no” influence. Elected officials, corporate offices, alumni associations, donors, and religious denominational bodies are examples of persons or bodies that appropriately have interests in the activities of related colleges and universities. However, the governing board of the institution has been vested with the authority to make decisions regarding the institution, and no outside person, board, or religious or legislative body should be in a position to interfere with the governing board’s ultimate authority to fulfill its responsibilities or to interfere in the operations of the institution.

If the institution has had no cases of undue influence, and thus had not applied its policy, it should indicate that examples of implementation are not available because no such issues have arisen. That said, the institution should discuss and provide the policies, bylaws, processes or procedures that are in place to guide board action.

### Questions to Consider

- In cases of undue external influence by external bodies or individuals, what actions were taken by the governing board?
- How and to what extent are governing board members educated regarding their responsibilities?
- What safeguards are in place to protect the institution from undue influence of external bodies or persons?

### Sample Documentation

- Bylaws, operating manuals or handbooks, and/or orientation materials that outline board member duties and responsibilities.
- Details on board training.
- Details on board member selection processes.
- Documents and reports of board actions to resolve cases of undue external pressures, if appropriate.

### Reference to SACSCOC Documents, If Applicable

None noted.

### Cross-References to Other Related Standards/Requirements, If Applicable

- CR 4.1            (*Governing board characteristics*)  
Standard 4.2.d   (*Conflict of interest*)  
Standard 4.2.g   (*Board self-evaluation*)

**4.2.g****The governing board defines its responsibilities, and regularly evaluates its effectiveness. (*Board self-evaluation*)****Rationale and Notes**

As the body that holds in trust the fundamental autonomy and ultimate well-being of the institution, the governing board of the institution is a critical element in the success of the institution. Good institutional governance requires that the board systematically asks itself, “How are we doing? What are we doing? Are we as effective as a board as we can be?” The process of institutional improvement underlies the *Principles of Accreditation*. While the means by which a governing board participates in that process may be different in scope, tone, and detail than that of the rest of the institution, it is still a necessary element in institutional leadership.

A good starting place is a self-reflective examination of the issues that underlie the governance standards of the *Principles of Accreditation* and the “Questions to Consider” in this section of this *Resource Manual*. How this is done is something best determined by a governing board itself. Some institutions use a board retreat format. Some boards build self-reflection into an annual orientation/reorientation of the board. Some boards facilitate this process by using external resources such as a facilitator or a book, although that is not a requirement of this standard. What is expected of this standard is something more substantive than a statement that “the board conducted a self-evaluation.”

**NOTE**

*If the institution has multiple governing boards [see Standard 4.3 (Multi-level governance)], then the institution should address the self-evaluation process for all relevant boards.*

SACSCOC expects that a reasonable periodic evaluation would occur at least every three years.

**Questions to Consider**

- What are the legal obligations of board members? Does each member of the board understand these expectations?
- Do bylaws and other written documents for board procedures make clear the role of and limits of board actions?
- Do bylaws and other written documents for board distinguish the roles between the board (policy-making) and the CEO (administrative)?
- Is the board structure working well? Are committee responsibilities well defined?
- Is the orientation of new board members effective?
- How does the board stay informed as to the financial health of the institution?
- How does the board maintain its focus on the institutional mission?



- Is review of the mission statement a regular expectation of the governing board?
- What is the relationship between the institution's chief executive officer and the institution's governing board?
- What protections are built into the board structure to ensure the board is not subject to undue influence by a minority of members or by external forces?
- Are board minutes clear and accurate? Do they provide sufficient detail to capture the results of deliberations?
- Do board procedures regarding protection from internal conflicts of interest work appropriately?
- Does the board have a functioning self-evaluation process?
- If the governing board interacts with other boards (e.g., system boards, foundation boards, alumni boards), are duties and expectations clear?

### Sample Documentation

- Statements of board responsibilities and expectations.
- Schedule used by the board for self-review.
- Board policies, bylaws or other documents and procedures regarding board self-evaluation.
- Board minutes or reports detailing the findings of board self-evaluation.
- Materials used as part of the self-examination process (e.g., excerpts from board books, retreat handouts, summaries).
- If the board seeks input from various constituents to inform the evaluation process, a sample form may be included.

### Reference to SACSCOC Documents, If Applicable

None noted.

### Cross-References to Other Related Standards/Requirements, If Applicable

Section 4            (*Governing Board*)—all standards  
 Standard 7.1       (*Institutional Planning*)

**4.3**

**If an institution's governing board does not retain sole legal authority and operating control in a multiple-level governance system, then the institution clearly defines the following areas within its governance structure: (a) institution's mission, (b) fiscal stability of the institution, and (c) institutional policy. (*Multi-level governance*)**

### Rationale and Notes

The governing board of an institution typically has legal authority and responsibility for the institution's mission, its financial stability, and institutional policies. When the governing board does not retain sole legal authority and operating control, this standard calls for the institution to clearly outline the active control of these functions by other entities and how the multiple levels of governance relate to the governing board's responsibilities pertaining to institutional mission, financial operations, and/or institutional policies.

Examples of when this standard would be applicable would include:

- Public institutions where there may be a state or district board that retains legal authority over these functions, but may delegate partial or full authority to a local board.
- A private for-profit corporate structure where the parent institution may or may not delegate some authority to subsidiary units.
- A private not-for-profit institution where a religious denomination or order maintains some authority over local board functions.

There are numerous other examples where multiple-level governance may need more explanation (e.g., branch campuses, merger situations, hospital boards with an educational component, other systems or relationships where the same board serves multiple institutions). In these cases, the institution uses this standard to explain how the governance structure operates with regard to mission, fiscal affairs, and institutional policies.

#### NOTE

*If the institution's governance structure does not have multiple levels, the institution can state that point and this standard can be "not applicable."*

### Questions to Consider

- Are there bodies other than the institution's own governing board that maintain certain legal authority or operating control for this institution?
- Is the governing board "shared" with other institutions, whether SACSCOC accredited or not?
- In the above cases, are adequate definitions of legal authority and operating responsibility clearly stated in the rules and regulations, policy manuals, and/or bylaws of the institution's governing board?
- What entity (or entities) regularly examines the mission of the institution?

- What is the nature of the fiscal responsibilities among the multiple levels of control? Is this clearly stated?
- Does the institution maintain sufficient autonomy for separate accreditation by SACSCOC?

### Sample Documentation

- Bylaws, policy manuals, other board documents, state codes, or statutes that define legal authority and operating control.
- Organizational charts that help define the relationships.
- Meeting minutes pertaining to review of the mission (perhaps from multiple levels of governance).
- Institutional correspondence among levels of governance.

### Reference to SACSCOC Documents, If Applicable

SACSCOC policies:     [Governing, Coordinating, and Other State Agencies: Representation on Evaluation Committees](#)  
                                  [Separate Accreditation for Units of a Member Institution](#)

### Cross-References to Other Related Standards/Requirements, If Applicable

CR 4.1                (*Governing board characteristics*)  
 Standard 4.2.a    (*Mission review*)  
 Standard 4.2.c    (*CEO evaluation/selection*)  
 Standard 4.2.d    (*Conflict of interest*)  
 Standard 4.2.e    (*Board dismissal*)  
 Standard 4.2.f    (*External influence*)  
 Standard 4.2.g    (*Board self-evaluation*)  
 CR 13.1            (*Financial resources*)  
 Standard 14.5    (*Policy compliance*)