





1133 20th Street NW, Suite 300 Washington, DC 20036

©2019 by Association of Governing Boards of Universities and Colleges

All rights reserved. No part of this publication maybe reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or using any information storage and retrieval system, without permission in writing from AGB.

Printed in the United States of America

BEST-PRACTICE
GUIDELINES FOR
THE CONTINUING
ENGAGEMENT
OF FORMER
BOARD MEMBERS

ASSOCIATION OF GOVERNING BOARDS OF UNIVERSITIES AND COLLEGES

The guidelines presented in this publication were informed by the input and advice of Michael Cannon, Carol Cartwright, Richard Chait, Artis Hampshire-Cowan, Thomas Hyatt, Susan Whealler Johnston, Mark Kelly, Richard Legon, David Maxwell, Terrence MacTaggart, Martin Michaelson, Merrill Schwartz, and David Tritelli. The Association of Governing Boards of Universities and Colleges (AGB) gratefully acknowledges their contributions. The views and opinions expressed in this publication are attributable solely to AGB.

INTRODUCTION

Governing board members devote years of their time and, in many cases, generous allocations of their personal wealth to the institutions of higher education they serve. When their board service ends, whether because they choose to retire or because of term or age limits, many hope to maintain a close relationship with their institutions. Moreover, when a member leaves, the board may be apprehensive about the resulting loss of professional expertise, institutional memory, philanthropic support, or access to corporate and government relationships. For these and related reasons, it is sensible for governing boards to find ways to keep former members engaged with their institutions. One especially effective way is through a program specifically tailored for this purpose. The animating principle of the most effective programs holds that former board members are a resource that merits sustained cultivation.

Whether or not their institution has such a program for former members, many boards recognize outstanding service by awarding emeritus or some other honorary status to select members upon retirement. Fully 80 percent of independent boards, and nearly 30 percent of public boards, currently have one or more emeritus members.* While this practice can be an effective way to honor exceptional members, keep them engaged after their board service ends, and encourage their continuing support, it is nonetheless fraught with potential to undermine good governance and, therefore, should be used sparingly and judiciously. All board members should have a clear understanding of the nature and limits of their ongoing involvement with the institution, if any, following the end of their board service. However, it is especially important for the board to set clear expectations for those former members who are awarded emeritus or some other honorary status.

^{*}Association of Governing Boards of Universities and Colleges, Policies, Practices, and Composition of Governing and Foundation Boards 2016 (Washington, DC: Association of Governing Boards of Universities and Colleges, 2016), 24.

EMERITUS AND SIMILAR APPOINTMENTS

When conferring honorary status on former trustees, it is essential that the board adhere to a carefully considered and clearly delineated policy. This policy should establish eligibility criteria, spell out a process for selecting candidates, and define the parameters of the role. Ideally, the policy ought to be included in the board's bylaws. Most important, any policy defining a special honorary status should be intentionally crafted to ensure that honorary board members are, like all former members, excluded from direct involvement in governance. Incumbent members of a governing board, and they alone, are fiduciaries; only they should participate in governance activities.

Trustee emeritus and related honorifics are special distinctions that should be reserved for those former board members who have provided extraordinary leadership to the institution, rather than ones that are automatically conferred upon all retiring board members. To be meaningful, honorary status must be awarded sparingly. Limiting the number of these honorary appointments also encourages thoughtful consideration of candidates.

To ensure that the award of honorary status remains the exception, not the rule, for retiring board members, the selection process should be clearly defined by board policy. Eligibility should be determined by a mix of objective and subjective criteria. Objective criteria typically

The award of honorary status is a board prerogative and therefore should be subject to approval by a majority vote of the full board. include, for example, a specified minimum number of terms or years of service on the governing board. Subjective criteria provide guidance on what constitutes significant contributions worthy of special recognition, and they are used to evaluate a candidate's record of service—performance in leadership positions, service on

committees, overall level of commitment (time, treasure, talent), participation in board activities—as well as to assess the strength and likelihood of his or her ongoing commitment to the institution.

The evaluation of candidates is most appropriately undertaken by the governance committee, which should make an initial determination based on the eligibility criteria. If the committee determines that a retiring board member meets the rigorous standards established by the criteria, then it should recommend his or her candidacy for consideration by the full board. The award of honorary status is a board prerogative and therefore should be subject to approval by a majority vote of the full board; it should not be delegated to the board chair or the executive committee to decide.

Once appointed, an honorary member ideally ought to serve at the pleasure of the board, and the board ought to retain the right to rescind the honorary title at any time and for any sensible reason. Alternatively, an honorary appointment ought to be made for a fixed term that may be subject to renewal or termination, or allowed to expire by the board. Lifetime appointments are to be avoided, as removal of a "life trustee" can be prohibitively difficult.

A NON-FIDUCIARY ROLE

Regardless of whether they are awarded emeritus or some other honorary status, all retiring trustees should be advised on the expectations of the governing board for their continuing role with the institution. A former board member who understands and accepts the parameters established by the board can continue to make a valuable contribution beyond his or her tenure on the board. For example, a former board member can serve appropriately as an ambassador for the institution, advisor to the president, counsel to new members, and participant in fundraising activities. Former board members may be invited to special on-campus or off-campus events hosted by the president or board chair, or to annual briefings on the "state of the institution." Such events may be scheduled to coincide with lunch or dinner with current board members as a way to maintain networks and bolster social capital. In addition, former board members might serve on ad hoc overseer or advisory committees convened by the president or board chair, or they might serve in other consultative roles.

Former board members could, by special invitation, attend all or parts of meetings of the governing board. However, former members—even those with honorary appointments—should under no circumstances be granted voting privileges. Accordingly, the

Former members—even those with honorary appointments—should under no circumstances be granted voting privileges. presence of one or more former members at a board meeting may not be a factor in establishing a quorum. A former board member may appropriately be invited to serve on board committees that would benefit from his or her expertise, but in a consultative (nonvoting) capacity only; a former board member is no more

a fiduciary in a small group than in a large one.

Allowing former board members to participate in governance activities violates the principle that governance is based on the coupling of authority and responsibility; former members have neither. Moreover, their regular presence at board meetings can have pernicious effects on board deliberations. It can, for example, lead to a "tyranny of seniority" under which former members dominate discussions, taking a backward-looking view, invoking history in an intimidating and delimiting way, or making it difficult for incumbent members to revisit decisions that the former members may have supported in a previous era. The overall effect can be to dilute or discourage the participation of newer members whose fresh perspectives would otherwise invigorate board discussions.

The end of a board member's tenure should mark the end of his or her role as a participant in board governance. Further, permitting former members to attend meetings regularly or to participate in governance activities can impede efforts to build or benefit from a more diverse board, and it can lead to bloat that renders the board unwieldy and unduly burdensome for staff. For these

reasons, the end of a board member's tenure should mark the end of his or her role as a participant in board governance.

Failure to apply these recommended guidelines, or laxity in their enforcement, can create confusion in the governance process.

For example, allowing a former member to vote on matters before

the board could cause him or her to have the same fiduciary responsibility as incumbent members of the board and, thereby, expose the former member to the same level of liability. Yet, because they are not full members, even former members with honorary status may not be covered by the institution's directors and officers liability insurance or indemnification policy.

IMPLEMENTATION

All governing boards should set clear expectations with respect to the appropriate role and conduct of former members. Boards that do not currently award emeritus or some other honorary status but may be considering whether to do so in the future would be well advised to pursue alternative means of honoring former board members and securing their continuing support and engagement.

Governing boards that have a written policy on the award of honorary status should review their policies in light of the bestpractice guidelines presented here, revising and clarifying as needed. Where no written policy exists, or where honorary status is

Ideally, the transition to a new or revised policy ought to be immediate.

ill-defined and its conferral routine, the board should develop and adopt a formal policy that comports with the guidelines. In either case, it may be advisable to address the need for any necessary changes as part of a broader

package of governance reform or in response to a comprehensive governance review.

Ideally, the transition to a new or revised policy ought to be immediate. Any delay in bringing board policy into conformity with best governance practice in this area merely prolongs the board's exposure to the risks associated with the excessive or improper involvement of former members. Depending on the exigencies of current practice with respect to honorary appointments, however, the board may consider options for transitioning over time. While clearly unfavorable, such options could include grandfathering those former members who hold honorary appointments—and, in rare instances, incumbent board members—or taking the intermediate step of converting existing appointments to fixed-term appointments. Any transition should be accompanied by the implementation or reinvigoration of a separate and intentionally tailored program to cultivate former board members and to both enable and encourage their continuing engagement with the institution.

QUESTIONS TO CONSIDER

- Does the institution have an effective program to cultivate former board members and provide them with meaningful opportunities for ongoing engagement? How does the program relate to the board's policy on the award of emeritus or other honorary status?
- Is the practice of awarding honorary status to former board members the most effective way to keep them engaged after their board service ends and to encourage their continuing support?
- Does the board have a written policy on the award of honorary status? Is the current policy consistent with best governance practice in this area? Is the policy included in the board's bylaws? Is the policy followed?
- Has the board set clear expectations with respect to the appropriate role and conduct of former members? How and when are these expectations communicated to current, retiring, and former members?
- Do former board members, including those with honorary appointments, participate in any governance activities? If so, is such participation authorized by the board, or does it result from a failure to set expectations for the role and conduct of former board members or a lax approach to policy implementation?



Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, nearly 2,000 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

In accordance with its mission, AGB has developed programs and services that strengthen the partnership between the president and governing board; provide guidance to regents and trustees; identify issues that affect tomorrow's decision making; and foster cooperation among all constituencies in higher education.



1133 20th Street NW, Suite 300, Washington, DC 20036 agb.org