

## Code of Conduct and Business Ethics

### I. AGB Values and Mission:

The association's Board of Directors and staff adhere to five fundamental values that serve to define the organization's purposes and ethical standards. They are:

- Dedication to the development of the institution of citizen trusteeship in higher education;
- Responsive and high quality service to its members;
- Respect for members and colleagues in all interactions and transactions;
- Collaboration within AGB and with other organizations; and,
- Adherence to the highest ethical, legal and moral standards in all of its work.

These values underpin the mission statement of the association. The mission of AGB states—

*The Association of Governing Boards of Universities and Colleges strengthens and protects this country's unique form of institutional governance through its research, services, and advocacy. AGB is committed to citizen trusteeship of American higher education.*

### II. Organization Code of Conduct:

AGB's directors, and its employees must, at all times, comply with all applicable laws and regulations. The association will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. AGB does not permit any activity that fails to stand the closest scrutiny.

All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the association's work.

Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their department head, executive vice president or president, who, if necessary, will seek the advice of AGB's legal counsel.

### III. General Employee Conduct:

AGB expects all employees to conduct themselves in a businesslike manner. Gambling, fighting, swearing, and similar unprofessional activities are strictly prohibited in AGB's

offices. Alcohol consumption is prohibited in the office during regular work hours unless served at an AGB-sponsored event.

Consistent with AGB policies, employees must not engage in sexual or general harassment, or conduct themselves in a way that could be construed as such, for example, by using inappropriate language, keeping or posting inappropriate materials in their work area, or accessing lurid materials on their computer. AGB's policy on sexual harassment requires staff members to avoid any form of direct or implicit sexual advances, engaging in verbal or physical conduct of a sexual or gender-based nature, or creating an intimidating, hostile or offensive working environment.

IV. Conflicts of Interest:

AGB's conflict of interest statement requires that employees and board members will perform their duties conscientiously, honestly, and in accordance with the best interests of the association. AGB employees and directors must not use their position or the knowledge gained as a result of their position for private or personal advantage. Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with AGB, they should immediately communicate all the facts to their supervisor or to his or her supervisor, as appropriate. Staff members will be asked to complete the same disclosure form as AGB directors on an annual basis.

V. Outside Activities, Employment, and Directorships:

All employees share a responsibility for the association's reputation, especially with the relationship with institutions and individual members. Their readiness to help with religious, charitable, educational, and civic activities brings credit to AGB and is encouraged. Employees must, however, avoid acquiring any business interest or participating in other activity outside the association that would, or would appear to:

- Create an excessive demand upon their time and attention, thus depriving AGB of their best efforts on the job.
- Create a conflict of interest—and obligation, interest, or distraction—that may interfere with the independent exercise of judgment in AGB's best interest.

VI. Relationships with Vendors and Suppliers:

Employees shall avoid investing in or acquiring a financial interest having a value of \$10,000 or more (or up to \$50,000 if the entity is publicly traded) for their own accounts in any business organization that has a contractual relationship with AGB and/or that provides goods or services, -or sponsors any part of the Association's work. Employees shall not serve on the board of any business organization that is engaged in a business relationship with the Association.

VII. Gifts, Entertainment, and Favors:

AGB employees must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which AGB has, or is likely to have, business arrangements. Similarly, employees must not accept any other preferential treatment under these circumstances because their position might be inclined to, or be perceived to, place them under obligations.

In addition, staff members may not receive payment or compensation from providers of goods or services of any kind, except as stipulated by the association's policies contained in the AGB Personnel Policy Manual. In particular, AGB strictly prohibits the acceptance of any form of financial recognition from suppliers or others. Any breach of this policy can result in immediate termination from employment with AGB.

#### VIII. AGB Funds and Other Assets:

AGB funds and all other assets of the association are intended solely to advance the mission of the organization and may not be used for personal benefit. AGB staff members who have access to association funds in any form must follow the prescribed procedures for recording, handling, and protecting those organization assets as detailed in AGB instructional manuals or other explanatory materials, or both.

AGB imposes strict standards to prevent fraud and dishonesty. If employees become aware of any evidence of fraud and/or dishonesty, they should immediately advise their supervisor or staff officer with whom they feel most comfortable, so that the association can promptly investigate the matter.

In instances where a staff officer or a member of the board of directors is suspected of a fraudulent act, the president or executive vice president should ordinarily be informed. Depending on the accusations, however, a concerned staff member or director may wish to communicate directly with the chair of the audit committee of the board of directors. The chair will in turn bring the matter to the attention of the audit committee for such action as the committee finds appropriate in the circumstances.

Employees bringing forward such information will be protected against any retaliatory adverse action. Any employee who is found to have engaged in retaliation will be subject to severe disciplinary action, up to and including termination of employment.

In those circumstances where an employee's position requires spending or obligating association funds or incurring any reimbursable personal expenses, that staff member must use good judgment on AGB's behalf to ensure that good value is received for every expenditure.

#### IX. Organization Records and Communications:

Accurate and reliable records of many kinds are necessary to meet AGB's legal and financial obligations and to manage the affairs of the association. The association's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets and liabilities and must exercise diligence in enforcing these requirements.

Staff must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements;
- False advertising, deceptive marketing practices, or other misleading representations.

AGB's records will be retained in accordance with the records retention periods legally required for each functional activity or specific records of the organization. AGB will retain records for at least two years within its business offices, and store records over two years old in a remote, secure storage facility. The accounting department will retain a list of all records kept in storage, and the list will be reviewed periodically to determine whether a specific record can be safely destroyed. Department heads will be informed and consulted before a specific record can be safely destroyed. Records to be destroyed will be shredded to ensure absolute security.

#### X. Communications, Openness and Disclosure:

All information about AGB will fully and honestly reflect the policies and practices of the association. Basic informational data about AGB, such as the Form 990, and audited financial statements will be available to the public upon request, either in writing, in person, or through other forms of communication. All financial reports will be complete and accurate in all material respects.

In all matters relevant to members, suppliers, government authorities, the public, the media and others in the organization, all staff members must make every effort to achieve complete, accurate, and timely communications—responding promptly and courteously to all proper requests for information and to all complaints. All solicitation/marketing materials will accurately represent AGB's policies and practices and will reflect the dignity of our members.

Employees must take care to separate their personal activities from their association positions when communicating on matters not involving association business. Staff must not use organization identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve association business, staff must not presume to speak for AGB on any topic, unless they are certain that the views they express are those of the association, and it is AGB's desire that such views be publicly disseminated.

XI. Privacy and Confidentiality:

When handling financial and personal information about members or others with whom AGB conducts business, all employees should observe the following principles:

- Collect, use, and retain only that personal information necessary for AGB's business.
- Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
- Limit internal access to personal information to those with appropriate business reasons. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

XII. Inclusiveness and Diversity:

AGB has a policy of promoting inclusiveness. Its staff and board of directors reflect that diversity in order to enrich the association's effectiveness. AGB takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment, and constituencies served.

XIII. Fund-raising:

AGB respects the privacy concerns of all donors and expends funds consistent with donor intentions. In raising funds, AGB respects the rights of donors as follows:

- To be informed of the mission of AGB, how their gift/grant will be used, and the association's capacity to use gifted funds effectively for their intended purposes;
- To be informed of the identity of those serving on the AGB Board of Directors and to expect that the board will exercise prudent judgment in its stewardship responsibilities;
- To have access to AGB's most recent financial reports;
- To be assured their gift/grant will be used for the purposes for which they were given;
- To receive appropriate acknowledgement and recognition;
- To be assured that information about their gift/grant is handled with respect and with confidentiality;
- To expect that all relationships with individuals representing AGB will be professional in nature;
- To feel free to ask questions when making a gift/grant and to receive prompt, truthful, and forthright answers.

## Attachment I

### Code of Ethics for Financial Officers and Staff

Senior financial officers and staff of AGB hold an important and special set of responsibilities. While members of the management team, they are uniquely capable and empowered to ensure that all stakeholders' interests are appropriately balanced, protected, and preserved. The following Code of Ethics recognizes individual and peer responsibilities, as well as responsibilities to other staff members, AGB directors, members and other stakeholders:

1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. Provide constituents with information that is accurate, complete, objective, relevant, timely, and understandable.
3. Comply with rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies.
4. Act in good faith; responsibly; and with due care, competence, and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
5. Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
6. Share knowledge and maintain skills important and relevant to constituents' needs.
7. Proactively promote ethical behavior as a responsible partner among peers, and in the work environment.
8. Achieve responsible use of and control over all assets and resources employed and entrusted.

Adopted by the AGB Board of Directors on March 28, 2004  
Amended by the AGB Board of Directors of August 17, 2007