



# 5 Governance Essentials Every College Board Member Should Know

Blog Post

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Serving on a college or university board is a significant responsibility. Beyond attending meetings and approving budgets, board members play a pivotal role in safeguarding the institution's mission, reputation, and future. When governance fundamentals are overlooked, even the most well-intentioned boards can find themselves in the headlines for all the wrong reasons. But here's the good news: avoiding governance pitfalls doesn't require a complete overhaul, it simply requires getting the basics right.

In this post, we'll explore five governance essentials that every college board should master to protect their institution and ensure its long-term success.

## **Bylaws: Your Blueprint for Effective Governance**

Your institution's bylaws are the foundation of its corporate governance. They aren't just formalities; they're the playbook for how your board should operate. Too often, we see outdated bylaws that ignore virtual meetings, skip over quorum requirements, or fail to define officer roles and board qualifications. Bylaws should mirror the current needs and dynamics of your institution, not how it functioned two decades ago.

**Why it matters:** Strong, clear bylaws provide structure and accountability as the organization grows or leadership changes. They outline everything from decision-making processes to how disputes are resolved. Well-crafted bylaws also set the tone for a transparent, well-organized board.

**Actionable Tip:** Schedule a regular review of your bylaws (at least every 2-3 years). Don't be afraid to update them as needed to reflect new realities. If you haven't already, consider including provisions for virtual meetings, remote participation, and other current practices.

## **Fiduciary Duties: Why They Matter More Than Ever**

As a board member, you're charged with upholding three core fiduciary duties: care, loyalty, and obedience. These duties are not abstract concepts, they're the foundation of your role. Here's what they mean in practice:

- **Duty of Care:** Show up prepared and make informed decisions.
- **Duty of Loyalty:** Always act in the best interest of the institution, even when personal interests might conflict.
- **Duty of Obedience:** Ensure the college is operating within the law and in accordance with its mission.

**Why it matters:** Fulfilling these duties isn't just about avoiding legal trouble, it's about making decisions that keep your institution on track for long-term success. When boards overlook these principles, it can lead to costly mistakes and damaged reputations.

**Actionable Tip:** Consider offering a thorough board orientation for new members and provide periodic training to keep everyone aligned on their fiduciary responsibilities. A brief checklist during board meetings can remind trustees of these key duties and guide their decision-making.

### **Conflicts of Interest: Handle with Care**

Every board needs a solid conflict-of-interest policy, and more importantly, it needs to follow it. Conflict of interest issues can arise unexpectedly, whether it's a trustee with a financial interest in a vendor or a close personal relationship influencing a decision. If left unaddressed, conflicts of interest can lead to legal troubles, lost trust, and a tarnished reputation.

**Why it matters:** A well-enforced conflict-of-interest policy protects the institution and its board members. It ensures that decisions are made transparently and in the best interest of the college, rather than for personal or financial gain.

**Actionable Tip:** Require all trustees to complete annual disclosure forms and update them whenever conflicts arise. Have a clear process for managing related-party transactions and real-time reporting of conflicts. The goal is to avoid even the appearance of impropriety.

### **Meetings That Actually Work**

Effective meetings don't just happen, they require planning, structure, and purpose. All too often, boards get bogged down in minutiae and operational details, leaving little room for the strategic discussions that matter most. The best meetings focus on the big picture and ensure that every trustee is engaged and contributing.

**Why it matters:** Well-structured meetings ensure that the board is focused on the right issues, with decisions documented clearly. This helps keep the institution's leadership accountable and improves the quality of decisions made.

**Actionable Tip:** Distribute meeting materials a week in advance so everyone comes prepared. Focus on strategic discussions rather than operational details, and make sure to document key decisions in detailed meeting minutes. Consider holding executive sessions to discuss sensitive matters without staff or outside parties present.

### **Form 990: The Hidden Power of Transparency**



The IRS Form 990 is much more than a compliance requirement, it's your institution's public report card. Available to donors, journalists, regulators, and the public, it can provide an outsider's view into how well the board is governing. This includes details on executive compensation, governance practices, and related-party transactions. But the 990 isn't just about compliance, it's also an opportunity to tell your institution's story.

**Why it matters:** Form 990 is often the first place outsiders look to assess a college's governance. How you report your governance practices can have a significant impact on your institution's reputation.

**Actionable Tip:** Make sure the board is thoroughly familiar with the contents of the Form 990. Pay particular attention to sections like executive compensation (Part VII) and related-party transactions (Schedule L). Consider using this form as an opportunity to highlight the college's programs, successes, and values. The 990 is a public document that can help shape public perception. It should accurately reflect your institution's strengths.

### **Why It All Matters**

Good governance isn't just about avoiding problems, it's about building trust. Strong governance helps institutions make better decisions, attract stronger support, and stay focused on their mission, even during times of change. As the IRS reminds us, good governance is directly tied to good tax compliance, but in practice, it's also about credibility, stability, and long-term success.

Remember, governance is an ongoing process. Regularly review policies, maintain a clear focus on your fiduciary duties, and be transparent in all your dealings. When you get the basics right, your institution is positioned not just to survive, but to thrive.

## **Related People**



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