



OFFICE OF THE BOARD OF TRUSTEES

**Public Meeting Notice**

April 12, 2024

TO: Southern Oregon University Board of Trustees, Executive, Audit, and Governance Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Executive, Audit, and Governance Committee

The Executive, Audit, and Governance Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below.

In addition to a consent agenda consisting of past meeting minutes, action will be taken on the Audited Financial Statements and Acceptance of the FY 2003 Annual Financial Report and Board Statements on Social Justice, Anti-Racism, and Non-Discrimination, Polices, and the Responsibilities of Individual Trustees.

Information and discussion topics include an internal audit report and an update on the continued implementation of SB 273.

The meeting will occur as follows:

Friday, April 19, 2024

9:30 a.m. to 11:30 a.m. (or until business concludes)

DeBoer Room, 3<sup>rd</sup> Floor, Hannon Library, SOU Campus

Members of the public may view the proceedings at <https://sou.zoom.us/j/81383870144> at the time of the meeting.

Materials for the meeting are available at [governance.sou.edu](https://governance.sou.edu).

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If ADA or special accommodations are required, please contact Sabrina Prudhomme at (541) 552-6060 at least 72 hours in advance.**

**Public Comment**

Members of the public who wish to provide public comments in the meeting may do so live, in person or remotely, or may send written comments to the board. Public commenters are invited to sign up to speak or to submit their written comments at least 24 hours in advance of the meeting to the Board of Trustees email address: [trustees@sou.edu](mailto:trustees@sou.edu). Public comments also may be delivered by hand or mailed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.



**Board of Trustees**  
**Executive, Audit, and Governance Committee**  
**April 19, 2024**

# **Call to Order / Roll / Declaration of a Quorum**



**Board of Trustees  
Executive, Audit, and Governance Committee Meeting**

**Friday, April 19, 2024  
9:30 a.m. – 11:30 a.m. (or until business concludes)  
DeBoer Room, Hannon Library, SOU Campus  
Zoom: <https://sou.zoom.us/j/81383870144>**

**AGENDA**

Persons wishing to provide public comment in the meeting or in writing may sign up at [trustees@sou.edu](mailto:trustees@sou.edu).  
Please note: times are approximate and items may be taken out of order.

5 min	<b>1</b>	<b>Call to Order/Roll/Declaration of a Quorum</b>	Chair Daniel Santos
	1.1	Welcome and Opening Remarks	
	1.2	Roll and Declaration of a Quorum	Sabrina Prud'homme, SOU, Board Secretary
	1.3	Agenda Review	Chair Santos
	<b>2</b>	<b>Public Comment</b>	
5 min.	<b>3</b>	<b>Consent Agenda</b>	Chair Santos
	3.1	January 19, 2024 Minutes	
	<b>4</b>	<b>Reports</b>	
15 min.	4.1	Internal Audit Report	David Terry, Portland State University, Internal Audit Contractor
	<b>5</b>	<b>Action, Information and Discussion Items</b>	
35 min.	5.1	Audited Financial Statements and Annual Financial Report for Fiscal Year 2022-23 (Action)	Jean Bushong, CLA Principal; Agnes Maina, SOU, Controller
10 min.	5.2	Board Statement on Social Justice, Anti-Racism and Non-Discrimination (Action)	Trustee Christina Medina;
	5.3	Update on Implementation of Senate Bill 273	Sabrina Prud'homme
	5.3.1	Board Statement on the Responsibilities of Individual Trustees (Action)	
	5.3.2	Board Statement on Policies (Action)	

**Southern Oregon University  
Board of Trustees  
Executive, Audit, and Governance Committee Meeting  
Friday, April 19, 2024**

**AGENDA (Continued)**

5 min.	5.5	Future Meetings	Chair Santos
	<b>6</b>	<b>Adjournment</b>	Chair Santos

# Public Comment

# Consent Agenda



**Board of Trustees**  
**Executive, Audit, and Governance Committee Meeting**  
**Friday, January 19, 2024**

**MINUTES**

Chair Daniel Santos called the meeting to order at 9:31a.m. He welcomed everyone to the first meeting of the new year and thanked attendees and presenters.

**Call to Order/Roll/Declaration of a Quorum**

Committee Members:

Chair Daniel Santos	Present	Liz Shelby	Present
Brent Barry	Present	Bill Thorndike	Present
Sheila Clough	Present	Shaun Franks	Present

Other trustees in attendance: President Rick Bailey and Trustee Jason Mendoza

**Public Comment**

No members of the public offered comments.

**Consent Agenda**

Trustee Franks moved to approve the minutes of the October 20, 2023 meeting. Trustee Shelby seconded the motion and it passed unanimously.

**Internal Audit (IA) Report**

David Terry, the internal audit contractor for Southern Oregon University (SOU), presented an update covering three main areas: services provided since he last met with the committee, hotline activity, and proposed changes to internal audit standards. Regarding services, Mr. Terry meets regularly with SOU management as well as the General Counsel and Chair Santos to promote independence and communication and compliance with audit standards. Representatives from Mr. Terry’s office attended a summit on Information technology (IT) risk and security including emerging topics and potential exposure. He also collaborated with the President's office to send out the “tone at the top” email to campus promoting ethical use of public resources and the hotline resource.

Mr. Terry also reviewed the four project areas for FY 2024, including financial aid process review and testing, agreeing on a process with SOU that does not duplicate the external single audit. The IA team consulted on the Workday implementation doing spot check testing whenever SOU is ready to test a new data set. The Veteran’s Services work will be starting in late winter/early spring.

Regarding the hotline, those are triaged as they come in and there are no material issues to report at this time. Responding to trustees’ questions about how the hotline resource is communicated, Mr. Terry noted that in addition to the “tone at the top” message, the hotline is advertised on the IA website, bulletin boards on campus, and a policy. The Ethics Point hotline is also shared with students during the grievance filing process. President Bailey added that advertising could be improved by sharing at quarterly campus conversations and with union partners.

Mr. Terry discussed a number of proposed changes to the Institute of Internal Auditor (IIA) standards in the areas such as the peer review process and the provision of a “mandatory” summary opinion or overall conclusion like a risk rating. Chair Santos requested future updates on substantive changes to the standards and Mr. Terry assured the committee of timely communication. He met with the Pacific Northwest Higher Education Internal Auditors and discussed other discussing other “hot topics” in IA, resources, foreign influence reporting requirements, for which the current guidance is unclear. He will follow up with additional information when more is available.

## **Action, Information and Discussion Items**

### External Audit Update

Jean Bushong of the external audit firm, CliftonLarsonAllen (CLA), updated the board on the current disposition of the audit. She noted that the trustees would receive the FY 2023 report audit when it is been completed in a couple of months. The CLA team performs two audit engagements: financial statements and the single audit of federal dollars, which they are required to test. Some unique items impacting FY 23 are the GASB 94 rules on public-private and public-public partnerships and how to account for them, affecting arrangements such as SOU’s North Campus Village. The GASB 96 rules on subscription-based information technology arrangements are moving away from software and toward subscription-based applications and programs; so, accounting for fiscal liabilities such as Workday will differ. Items such as this are across the landscape so their technical group is completing the documentation.

Much discussion ensued about the deadline, SOU-CLA’s preparedness to meet it, and any associated risks. Ms. Bushong said that they will issue the reports well before the federal financial audit clearing house requirement of March 31. She had “nothing major to report” about the audit at this time and said management has been transparent and helpful, expressing distinct appreciation for SOU controller, Agnes Maina. Regarding SOU’s processes, Ms. Maina said March is usually the start of SOU’s audit cycle and a number of circumstances occurred. Realignment started in May, closing of the year in July/August in Banner while preparing for Workday, and the director at the Universities Shared Services Enterprise left the enterprise. Despite that, SOU kept pace and the audit doesn’t affect the budgeting process, as SOU does not budget on financial statements. Answering Vice Chair Clough, she noted that she does not expect there to be any material changes because SOU already has paid its expenses, accounted for them, and accounted for assets. Chair Santos thanked the SOU and CLA teams for their work.

### Update on Implementation of Senate Bill 273

Sabrina Prud’homme provided an update on the implementation of Senate Bill 273. Most notably, the next assessment of the needs and ideal characteristics of board members will be administered to new trustees and shared in a public meeting. A form will be created on the board’s website to collect information from the university community year-round and when a vacancy occurs, the board will also announce the vacancy in a meeting and invite the university community’s input, in compliance with the statute. Secretary Prud’homme explained other work that is underway to ensure the board’s compliance with the new laws and that additional updates will be shared.

### SOU Board of Trustees Officer Election Process

Chair Santos walked the committee through the board's officer elections process, as presented in the meeting materials. He announced that he was appointing a work group to gather information for upcoming officer elections in June. Trustee Bill Thorndike will chair the committee; Trustees Iris Maria Chavez and Jason Mendoza will also serve on the work group, which the board secretary will support.

### Future Meetings Chair Santos

Chair Santos announced that the next meeting of the committee would take place on April 19, 2024, and asked that if any trustee had any topics they would like to see on that agenda, to please send them to the board secretary. Trustee Thorndike suggested a future topic on SOU's efforts regarding the prevention of sexual harassment and discrimination, as he took a training from the Department. He also would like to understand more about SOU's internet use and abuse policies including phishing, attacks, and with controlling content.

### Review of Internal Audit Report on Financial Aid [Executive Session Pursuant to ORS 192.660 (2)(f)]

Chair Santos said that pursuant to ORS 192.660(2) (f) and (i), the committee would enter into an executive session to consider information or records that are exempt by law from public inspection. No final actions or decisions will be made during this session. At the end of the executive session, the committee would return to open session and welcome members of the public back to the meeting and the videoconference (if any remain). Following the executive session, which was expected to conclude in approximately 15 minutes, online attendees would be able to use the meeting link to rejoin.

In addition to SOU board members, the following persons were permitted to remain for the executive session: Karinda Decker; Rob Patridge; Sabrina Prud'homme; Matt Stillman; Susan Walsh; Neil Woolf; and David Terry.

At the conclusion of the executive session, Chair Santos returned the meeting to a public session.

### **Adjournment**

Chair Santos adjourned the meeting at 10:15 a.m.

# Internal Audit Report



# Internal Audit Update

Presented by David Terry, CPA, CFE, CIA

# Internal Audit Update

## Objectives of Update

- 1) Update on services provided since last committee meeting.
- 2) Provide a status update on Hotline activity since last committee meeting.
- 3) Annual Risk Assessment & Project Planning
- 4) Questions and open discussion.

# Objective 1 – Internal Audit Update

- **Updates with SOU Management** – Periodic check-ins with General Counsel to provide status updates on internal audit projects and consulting services and discussion on other SOU topics.
- **Debrief Meeting with Chair Santos** – Continuing to meet with Chair Santos periodically to discuss function and projects. Periodic meetings will continue into the future as this practice helps to support internal audit standards for independence.

# Objective 1 – Internal Audit Update

## Projects for Fiscal Year 2024:

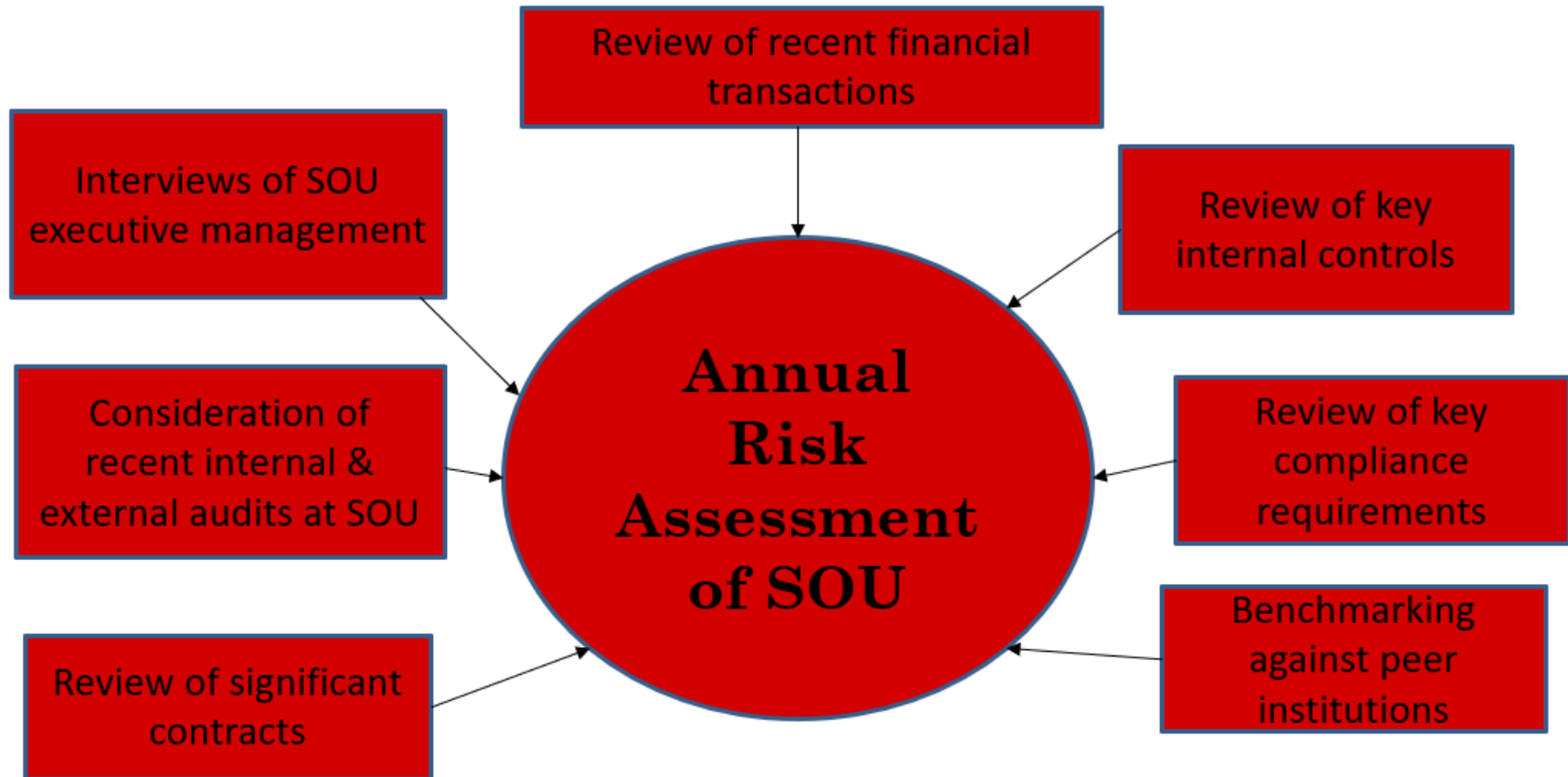
- 1) Financial Aid – Process Review – **Project completed and results provided.**
- 2) Workday Implementation – **Continue to consult with SOU's IT department on the Workday implementation; however, departure of Tom B. had impacts on this work.**
- 3) Veterans Services Consulting– **Benchmarking of services to other institutions.**
- 4) Special projects and reviews as needed.



# Objective 2 – Hotline Update

- 4 Hotline reports received via the SOU Hotline since the last committee meeting.
- Internal Audit working with SOU management to review the Hotline reports to help ensure the allegations received were thoroughly reviewed and any corrective action needed is taken by SOU management.

# Objective 3 – Annual Risk Assessment Overview



# Objective 3 – Annual Risk Assessment Overview

Next committee meeting we will present:

- 1) Summarized results of the risk assessment;
- 2) List of recommended audit(s) or consulting projects for fiscal year 2025.
- 3) Request committee to review and approve annual work plan for internal audit based on annual risk assessment and planning process.

# Internal Audit Update



Questions and other discussion?

# Fiscal Year 2023 Annual Financial Report and Audited Financial Statements

[Click here for SOU 2023 Annual  
Financial Report](#)

[Click here for SOU 2023  
Single Audit Report](#)



# Southern Oregon University

Fiscal Year June 30, 2023

Financial Statement Audit and Single Audit Results



# Agenda

✓ Scope of Engagements

📁 Responsibilities under GAAS

💎 Unique Items

📄 Results of Financial Statement Audit

📄 Review of Financial Statements

📢 Required Auditor Communications

🏛️ Results of the Single Audit

? Conclusion & Questions



# Scope of the Engagements



**Financial Statement Audit**



**Single Audit (Compliance)**





# Responsibilities under US Generally Accepted Auditing Standards (GAAS)



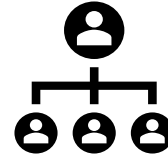
Opinion: Financial statements in conformity with U.S. GAAP in all material respects.



Reasonable assurance free from material misstatement; not absolute



Risk-based audit: What is the risk of material error due to error, fraud, or noncompliance?



Our audit does not relieve management of its responsibilities.



Opinion is not over internal controls; opinion is over financial statements

*Customized. Risk-based. Performed by Industry Professionals.*



# We'll Get You There

*GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)*

Initial Workday Transition

Unique Audit Issues

*GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITA)*



# Financial Statement Audit Results

## Independent Auditors' Report

- Opinion – **Unmodified**
  - Basis for Opinion
- Auditors' Responsibility
- Management's Responsibility
- Required Supplementary Information
- Supplementary Information
- Government Auditing Standards Report

### One Audit Adjustment

- Correct Lease Income for long term contract by increasing revenue by \$109K

### One Passed Audit Adjustment

- Correct current and long-term portion of lease receivable by increasing current portion by \$91K.



# Financial Statement Internal Control Results

Significant Deficiencies or  
Material Weaknesses

**Other Control Deficiencies and Best Practices**

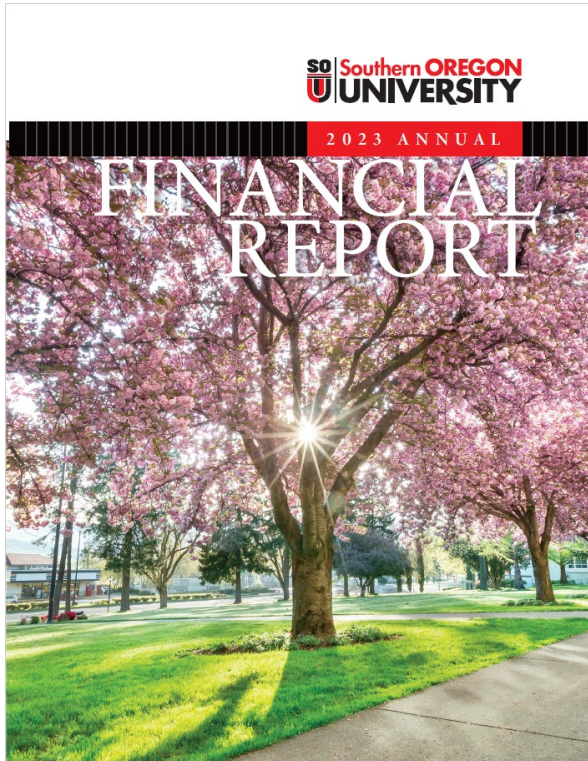
**None**

Adequate User access  
controls within accounting  
system (Banner)

Delayed financial reporting  
and close – Need to  
evaluate resources to  
ensure timely reporting as  
Workday is implemented



# Presentation of Financial Statements



## SOUTHERN OREGON UNIVERSITY

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# Required Auditor Communications



Qualitative Aspects of  
Accounting Practices

New policy: GASB No. 96 & 94  
Accounting Estimates  
Financial Disclosures



Difficulties Encountered in Performing the Audit – None



Uncorrected Misstatements:

One – Lease Receivable



Corrected Misstatements:

One – Lease Income

# Required Auditor Communications



Disagreements with Management

None



Management Representations

Completed as of March 6, 2024



Management Consultations with other Independent Accountants

None



Significant Issues Discussed with Management Prior to Engagement

None



Other Audit Findings or Issues

None; Only Verbal Internal Control Deficiencies and Best Practices



# Single Audit Results

Total federal  
spending for  
FY23  
\$23.7 million

Unmodified  
opinion over  
Compliance

No Material  
Weaknesses  
over  
Compliance or  
Internal  
Controls

Three  
Internal  
Control and  
Compliance  
findings

1 Major Program Audited

Student Financial  
Aid Cluster - \$22.2M





# Single Audit Results – Noncompliance

## 2023-001 – Student Reporting

- SOU Reports Student Enrollment and Major to the Department of Education
- 40 instances where student's enrollment information was not accurately or timely reported to the Department of Education

## 2023-002 – Outstanding Refund Checks

- Refunds to students that are outstanding (Checks issued but not cashed) for 240 days need to be returned to Department of Education
- 9 outstanding checks tested were not returned

## 2023-003 – Third Party Servicer Contracts

- SOU needs to provide contract with third party who processes student refunds to the Department of Education.
- No record or support that the contract was provided to the Department of Education



# Conclusion

*Both Financial Audit and Single Audit were successfully submitted to the regulatory agencies in March 2024*



**Federal Audit Clearinghouse**



**Department of Education**



*We'll get you there.*

CPAs | CONSULTANTS | WEALTH ADVISORS

THANK YOU!

Management and  
staff were extremely  
cooperative and  
helpful.

# Questions?



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**Southern Oregon University  
Board of Trustees  
Executive, Audit, and Governance Committee**

**RESOLUTION  
Fiscal Year 2022-23 Audited Financial Statements**

Whereas, the independent certified public accounting firm, CliftonLarsonAllen, LLP, has completed its review of the financial statements of Southern Oregon University for the fiscal year ended June 30, 2023;

Whereas, the Executive, Audit, and Governance Committee of the Board of Trustees has reviewed the SOU 2023 Annual Financial Report including the audited financial statements;

Whereas, the Executive, Audit, and Governance Committee of the Board of Trustees met with the external auditor and performed a satisfactory review of these documents; now therefore,

Be it resolved, that the Executive, Audit, and Governance Committee of the Board of Trustees of Southern Oregon University hereby recommends for acceptance by the SOU Board of Trustees, the SOU 2023 Annual Financial Report including the audited financial statements for the fiscal year ended June 30, 2023.

VOTE:

DATE: April 19, 2024

Recorded by the University Board Secretary:

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# **Board Statement on Social Justice, Anti-Racism and Non-Discrimination (Action)**

## **Board Statement on Social Justice, Anti-Racism and Non-Discrimination Board of Trustees of Southern Oregon University**

On Juneteenth, June 19, 2020, the Southern Oregon University Board of Trustees voted unanimously to adopt its Statement on Black Lives Matter. Southern Oregon University and the Board did what many organizations did. We issued a statement condemning George Floyd's death, plainly stating that Black Lives Matter, and recommitting ourselves to ending racial discrimination and social injustice. Today, the Board writes in furtherance of that commitment.

The sad reality is that those acts of violence, racism, and social injustice continue, and in fact, have grown across many elements of our vulnerable communities. Today, as a Board, we reaffirm our commitment to condemn and denounce hate, prejudicial bias, abhorrent language, and behaviors intended to harm any member of our learning community on the basis of race, color, religion, gender, expression, age, national origin, immigration status, disability, marital status, sexual orientation or military status.

This reaffirmation serves to continue our commitment to justice, civil discourse, social-emotional support and respect for all. The SOU Board remains dedicated to eliminating racial and social injustice. This pledge is rooted in the belief that all members of our SOU family are valued and it reaffirms our commitment to recognizing, addressing, and eradicating all forms of racism and social injustice in our university community. We commit to engaging stakeholders both within and outside of the University in an effort to advance collaborative efforts that promote anti-racism and social justice.

As individual trustees, we each have varying experiences with and participation in systems of power and privilege. This makes ongoing conversations about race, structural and systemic racism, and social injustice both complex and challenging, while also creating many opportunities for continued growth and commitment to creating equitable learning and working environments for the SOU community. As part of our fiduciary duties, we commit ourselves to advocate for policies and practices that advance equity, diversity, inclusion, and social justice. The Board recognizes that becoming an anti-racist and social justice University is a long-term process and our current actions are only a beginning. As a Board, we are eager to continue to learn and act.



# Update on Implementation of Senate Bill 273

**Compliance with Non-Policy Provisions of [SB 273](#)  
Board of Trustees of Southern Oregon University**

**SECTION 3 (11): Require that when a vacancy on the governing board is expected:**

**(a) At a public meeting, the governing board will assess the needs of the board and identify the ideal characteristics of any individual chosen to fill the vacancy, including but not limited to preferred skill sets, experience or geographic representation;**

- The governing board already conducts this assessment. For compliance, the assessment of knowledge, skills and abilities was administered to new trustees in March. Information from trustees who already took the assessment within the past two years will be combined with the new responses. An executive summary will be provided to the board and shared in a public meeting.

**(b) The governing board will invite members of the public university community to submit recommendations about the ideal characteristics described in paragraph (a) of this subsection to the board;**

- A new section was added to the board’s home page and access to a form to collect this information year-round can be found there. This ensures the availability of information from the campus community at any time in order to support the executive appointments process in a timely manner.
- When a vacancy on the board is expected or occurs, the board will also announce the vacancy in a public meeting, and invite members of the public university community to submit recommendations about the ideal characteristics (as was done in October 2023).

**(c) That when the governing board notifies the Governor that there will be a vacancy on the board, the board also communicates to the Governor the ideal characteristics identified in paragraphs (a) and (b) of this subsection; and**

- The board will comply with this subsection.

**SECTION 4: No later than July 2 of each year, each public university listed in ORS 352.002 shall submit a report in the manner provided by ORS 192.245 to the interim committees of the Legislative Assembly related to higher education, detailing the degree to which the public university has complied with:**

**(a) Drafting the formal policies described in section 3 of this 2023 Act;**

- A “crosswalk” has been prepared tracking compliance with each provision of the bill requiring codification in the board’s policies.

SOU Board of Trustees Compliance with Non-Policy Provisions of SB 273  
(Continued)

**(b) Fulfilling the obligations contained in the policies described in section 3 of this 2023 Act. Enrolled Senate Bill 273 (SB 273-B)**

- In the aforementioned crosswalk, hyperlinks to artifacts for each provision of the bill are included.

**(2) The report prepared under subsection (1) of this section must include input from representatives of official student, faculty and nonfaculty staff governance organizations.**

- A report will be prepared with input from the elected executive leaders of official student, faculty and nonfaculty staff governance organizations and submitted to the legislature in advance of the July 2, 2024 deadline.
- A joint meeting in April has been scheduled with the respective presidents or chairs of SOU's shared governance bodies to review the board's compliance and gain input from these representatives of official student, faculty and nonfaculty staff governance organizations.

**SECTION 6. The Higher Education Coordinating Commission shall:**

**(1) Provide regular opportunities for members of governing boards from all public universities listed in ORS 352.002 to meet and discuss issues related to:**

- (a) The work of governing boards; and**
- (b) Higher education throughout Oregon.**

**(2) Provide opportunities for members of governing boards to meet with commissioners from the commission and members of the boards of education of community college districts.**

**(3) Provide opportunities for newly appointed members of governing boards to receive training necessary to understand the duties, including fiduciary duties, that members of governing boards have to Oregon.**

- The board or members of the board will participate in opportunities related to this subsection.

## **Resolution on the Responsibilities of Individual Trustees Board of Trustees of Southern Oregon University**

Whereas, the Board of Trustees develops and advances the mission and goals of Southern Oregon University;

Whereas, the Board of Trustees ensures that the institution is well managed, endeavors to provide for adequate resources, and endeavors to maintain good relations with all constituencies; and

Whereas, the Board of Trustees provides accountability, fosters transparency, and endeavors to ensure that the University meets its obligations as part of Oregon's education system while preserving the autonomy of the institution.

Now, therefore, each Trustee for themselves and for future Trustees pledges to fulfill the duties set forth herein:

**1. Evaluation.** Each Trustee acknowledges that the Board is responsible for seeing that each Trustee carries out their responsibilities as specified herein, and each Trustee will participate in regular self-evaluations and evaluations of Board performance, which should be conducted in odd-numbered years. At each regular self-evaluation, an opportunity will be provided for the university community to provide written input or public testimony evaluating the work of the board.

**2. Fiduciary Duties.** Each Trustee acknowledges that they have fiduciary duties to the University and its beneficiaries, including the following.

A. Duty of Care. A Trustee must act in good faith, using a degree of diligence, care, and skill that prudent persons would use under similar circumstances and must act in a manner that is reasonably believed to be in the institution's best interests. In discharging their duties, a Trustee is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by or under the direction of: (a) One or more officers of the institution whom the Trustee reasonably believes to be reliable and competent in the matters presented; (b) Legal counsel, public accountants or other persons retained by the institution to speak to matters that the Trustee reasonably believes are within the person's professional or expert competence; (c) A committee of the Board of which the Trustee is not a member, as to matters within its jurisdiction, if the Trustee reasonably believes the committee merits confidence. A Trustee fails to act in good faith if the Trustee has personal knowledge concerning the matter in question that makes reliance unwarranted, even if such reliance would otherwise be permitted by this subsection.

B. Duty of Loyalty. A Trustee must act in good faith and in a manner that is reasonably believed to be within the scope of the public purposes of the institution rather than in the Trustee's own interests or the interests of another organization or constituency. A Trustee must be loyal to the institution and not use their position of authority to obtain, whether directly or indirectly, a benefit for themselves or their relatives or family, or for another organization in which the Trustee has an interest. The duty of loyalty considers both financial interests held by a Trustee and positions a Trustee has with other organizations. A Trustee must maintain independence from stakeholders external to the Board in the conduct of oversight and policy responsibilities.

C. Duty of Obedience. A Trustee must ensure that the University is operating in furtherance of its stated purposes and is operating in compliance with the law. A Trustee also must ensure effective internal controls. The Board shall periodically re-evaluate its purposes and mission and must be prepared to amend or change them when it is necessary and appropriate to do so.

**3. Service.** Each Trustee must make service to the University through Board activities a high personal priority; ensure attendance at substantially all meetings for which the Trustee is scheduled, participate constructively and consistently in the work of the Board and its committees; accept and discharge leadership positions and other assignments; work positively on behalf of the University between Board meetings; attend functions and events to which the Trustee is invited; prepare for meetings by reading the agenda and supporting material; keeping informed about the University as well as trends and issues in higher education; participating in rational, informed Board or committee deliberations by considering reliable information, thinking critically, asking good questions and respecting diverse points of view, in order to reach decisions on the merits that are in the best interests of the institution; and use their own judgment in voting versus following the lead of others.

**4. Respect.** Each Trustee acknowledges that only the Board Chair and the President speak for the University; other Trustees must be careful to identify when they do not speak on behalf of the University; should support the President of the University in word and deed while at the same time exercising critical judgment as an active, discerning, energetic, and probing Trustee; distinguish, in their role as a Trustee, between matters of governance and matters of management; speak candidly but also support actions approved by the Board-even if the Trustee did not vote for them; respect the opinions of others and refrain from public criticism of others or their views; and communicate any significant concern or complaint promptly to the Chair.

Each Trustee must refrain from directing the President and accept that the President reports to the Board as a whole. A Trustee must also refrain from

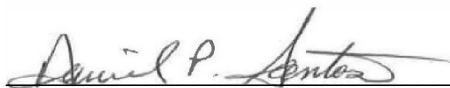
directing staff, including making requests for information from or directing the activities of staff members. The Board Chair, President, Board Secretary, Internal Auditor, Vice President for Finance and Administration, or General Counsel may provide limited assistance to individual Trustees. Authority to direct and manage the activities of employees is delegated to the President.

**5. Personal Behavior.** Each Trustee must avoid conflicts of interest or the appearance thereof, should declare actual and potential conflicts of interest in accordance with Oregon Law and the Board's policies on conflict of interest, and adhere to the highest standards of personal and professional behavior and discretion so as to reflect favorably on the University. A Trustee may not use their position of authority to obtain, whether directly or indirectly, a benefit for themselves or for another organization in which the Trustee has an interest; must avoid personal agendas or appearing to be a representative of any internal or external constituency, group, cause, community, or constituent part of the institution; and must refrain from requesting special considerations or favors.

A Trustee who is unable to uphold the Responsibilities of Individual Trustees may be asked to resign their position on the board.

Approved on October 20, 2023

  
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 Sabrina Prud'homme  
 University Board Secretary

  
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 Daniel P. Santos  
 Chair, Board of Trustees

Revision	Change	Date
	-Initial Version	January 30, 2015
1	Emphasis added to attendance; clarified directing of the President and staff; basic edits and corrections.	June 21, 2019

2	Emphasis added to upholding responsibilities; basic edits and corrections.	June 16, 2023
3	Frequency and involvement of university community added to Evaluation.	October 20, 2023

## Board Statement on the Responsibilities of Individual Trustees Board of Trustees of Southern Oregon University

### 1.0 Preamble

The Board of Trustees of Southern Oregon University develops and advances the mission and goals of the University. The Board ensures that the University is well managed, endeavors to provide for adequate resources, and endeavors to maintain good relations with all constituencies. The Board provides accountability, fosters transparency, and endeavors to ensure that SOU meets its obligations as part of Oregon's education system while preserving the autonomy of the University.

To execute these duties, each Trustee of the Board shall, to the best of their ability, fulfill the duties set forth herein.

### 2.0 Evaluation

Each Trustee acknowledges that the Board is responsible for seeing that each Trustee carries out their responsibilities as specified herein, and each Trustee will participate in regular self-evaluations and evaluations of Board performance, which should be conducted in odd-numbered years. At each regular self-evaluation, an opportunity will be provided for the university community to provide written input or public testimony evaluating the work of the board.

### 3.0 Fiduciary Duties

Each Trustee acknowledges that they have fiduciary duties to the University and its beneficiaries, including the following.

3.1 Duty of Care. A Trustee must act in good faith, using a degree of diligence, care, and skill that prudent persons would use under similar circumstances and must act in a manner that is reasonably believed to be in the institution's best interests. In discharging their duties, a Trustee is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by or under the direction of: (a) One or more officers of the institution whom the Trustee reasonably believes to be reliable and competent in the matters presented; (b) Legal counsel, public accountants or other persons retained by the institution to speak to matters that the Trustee reasonably believes are within the person's professional or expert competence; (c) A committee of the Board of which the Trustee is not a member, as to matters within its jurisdiction, if the Trustee reasonably believes the committee merits confidence. A Trustee fails to act in good faith if the Trustee has personal knowledge concerning the matter in question that makes reliance unwarranted, even if such reliance would otherwise be permitted by this subsection.



3.2 Duty of Loyalty. A Trustee must act in good faith and in a manner that is reasonably believed to be within the scope of the public purposes of the institution rather than in the Trustee's own interests or the interests of another organization or constituency. A Trustee must be loyal to the institution and not use their position of authority to obtain, whether directly or indirectly, a benefit for themselves or their relatives or family, or for another organization in which the Trustee has an interest. The duty of loyalty considers both financial interests held by a Trustee and positions a Trustee has with other organizations. A Trustee must maintain independence from stakeholders external to the Board in the conduct of oversight and policy responsibilities.

3.3 Duty of Obedience. A Trustee must ensure that the University is operating in furtherance of its stated purposes and is operating in compliance with the law. A Trustee also must ensure effective internal controls. The Board shall periodically re-evaluate its purposes and mission and must be prepared to amend or change them when it is necessary and appropriate to do so.

#### **4.0 Service**

Each Trustee must make service to the University through Board activities a high personal priority; ensure attendance at substantially all meetings for which the Trustee is scheduled, participate constructively and consistently in the work of the Board and its committees; accept and discharge leadership positions and other assignments; work positively on behalf of the University between Board meetings; attend functions and events to which the Trustee is invited; prepare for meetings by reading the agenda and supporting material; keeping informed about the University as well as trends and issues in higher education; participating in rational, informed Board or committee deliberations by considering reliable information, thinking critically, asking good questions and respecting diverse points of view, in order to reach decisions on the merits that are in the best interests of the institution; and use their own judgment in voting versus following the lead of others.

#### **5.0 Respect**

Each Trustee acknowledges that only the Board Chair and the President speak for the University; other Trustees must be careful to identify when they do not speak on behalf of the University; should support the President of the University in word and deed while at the same time exercising critical judgment as an active, discerning, energetic, and probing Trustee; distinguish, in their role as a Trustee, between matters of governance and matters of management; speak candidly but also support actions approved by the Board-even if the Trustee did not vote for them; respect the opinions of others and refrain from public criticism of others or their views; and

communicate any significant concern or complaint promptly to the Chair.

Each Trustee must refrain from directing the President and accept that the President reports to the Board as a whole. A Trustee must also refrain from directing staff, including making requests for information from or directing the activities of staff members. The Board Chair, President, Board Secretary, Internal Auditor, Vice President for Finance and Administration, or General Counsel may provide limited assistance to individual Trustees. Authority to direct and manage the activities of employees is delegated to the President.

## **6.0 Personal Behavior**

Each Trustee must avoid conflicts of interest or the appearance thereof, should declare actual and potential conflicts of interest in accordance with Oregon Law and the Board's policies on conflict of interest, and adhere to the highest standards of personal and professional behavior and discretion so as to reflect favorably on the University. A Trustee may not use their position of authority to obtain, whether directly or indirectly, a benefit for themselves or for another organization in which the Trustee has an interest; must avoid personal agendas or appearing to be a representative of any internal or external constituency, group, cause, community, or constituent part of the institution; and must refrain from requesting special considerations or favors.

A Trustee who is unable to uphold the Responsibilities of Individual Trustees may be asked to resign their position on the board.

**Board Statement on Policies**  
**Board of Trustees of Southern Oregon University**

**1.0 Preamble**

Consistent with authority of the Board of Trustees ("Board") to manage the affairs of Southern Oregon University ("University" or "SOU") and, in recognition of its fiduciary obligations, the Board identifies the following categories of authority and the principles and processes governing the development of statements of authority, including bylaws, committee charters, board statements, board resolutions, university policies, university procedures, handbooks, and manuals.

**2.0 Categories of Authority**

2.1 Bylaws. Board Bylaws outline the essential elements necessary for the Board's constitution and operation, including, but not limited to Board officers, meeting agendas, and certain legal obligations.

2.2 Committee Charters. Committee charters identify the duties and scope of authority for the Board's committees, both standing and ad hoc, and must be consistent with the Board's Bylaws, Board Statement on Committees, and other Board actions. These charters may only be adopted, amended, or repealed by a majority vote of the Board. Board committees, from time to time, may suggest changes to the committee charters for Board action.

2.3 Board Statements and Resolutions. Board Statements are broad, strategic statements communicating the Board's expectations. As opposed to University Policies or Procedures, which could communicate delegated, operational or transactional authority or procedures, Board Statements communicate the fundamental strategic, fiduciary, and structural expectations of the Board. While the Board's committees, President, and SOU Policy Council play a role in the development and recommendation of Board Statements, such Statements may only be adopted, amended or repealed by a majority vote of the Board. Pursuant to ORS 352.107, the Board may authorize a Board Statement to have the force of law. Board Resolutions are also reserved for broad, strategic statements, but may be used in specific circumstances, including statements that need to be reaffirmed periodically by the Board or for actions authorizing the sale of bonds. Board Statements and Resolutions must be consistent with the Board's Bylaws and federal and state law.

2.4 University Policies. University Policies describe the exercise of authority delegated to the President by the Board. University Policies typically communicate the broad, strategic expectations of the President regarding the University's affairs. University Policies must be consistent with Board

Statements and Resolutions, and federal and state law. In any event where a University Policy is inconsistent with a Board Statement or Resolution, the Board Statement or Resolution shall prevail.

2.5 University Procedures. University Procedures, which likely work in concert with one or more University Policies, communicate the day-to-day steps or processes necessary for the effective and efficient accomplishment of University Policies. University Procedures must be consistent with Board Statements and Resolutions, University Policies, and other actions, as well as federal and state law. Where a University Procedure is inconsistent with a Board Statement, Resolution, University Policy or other Board action the Board Statement, Resolution, Policy, or action prevails.

2.6 Handbooks and Manuals. Handbooks and Manuals exist throughout the University and typically communicate desktop procedures or expectations for a University department, unit, or functional area. Examples may include, but are not limited to a faculty handbook, student handbook, and fiscal policy manual. Handbooks and Manuals must be consistent with Board Statements, Resolutions, and other actions, and University Policies and Procedures. Where a Handbook or Manual is inconsistent with a Board Statement, Resolution, or action, or with University Policy or Procedure, the Statement, Resolution, action, Policy, or Procedure will prevail.

### 3.0 SOU Policy Council

3.1 To assist in the formulation, drafting, revision, recommendation, review, and maintenance of the Board's and University's statements of authority, the Board directs the President to establish and maintain a policy council. The SOU Policy Council ("Council") will be convened by the SOU General Counsel who shall serve as Policy Council Chair. With the approval of the President, the Council will consist of representatives of the major functional units at the University (e.g., human resources, business affairs, contracting and procurement, public safety, student affairs, academic affairs, and risk management), as well as duly-elected or appointed representatives of the ~~SOU Faculty Senate, the~~ Associated Students of SOU, SOU Faculty Senate, and the SOU Staff Assembly. The Council shall create a transparent and accessible process for policy evaluation. The Policy Council will be ~~is a consultative~~ to provide ongoing ,review, advice, and input. ~~multi-functional group designed to provide valuable input and advice on the categories of authority described in this Board Statement.~~

3.2 The responsibility for any statement of authority described at sections 2.4, 2.5, or 2.6 of this Board Statement resides with the cognizant officer or director ("Responsible Officer"), as designated by the President.

3.3 The Responsible Officer, or designee, shall present University Policies, whether new or existing, to the Council for advice. After discussion of the draft University Policy, the Policy Council Chair, may seek comment from the University community at any time. Draft University Policies shall also be posted on the University's policy website for a period of at least seven calendar days, unless policy changes are immaterial or are an emergency. The appropriate Responsible Officer or the Chair, with any comments, may return to the Council for advice.

The Chair shall communicate to the President major issues or concerns, if any, identified by the Council, University community, or the public. A University Policy is only valid after an official copy is approved by the President and posted on the University's policy website.

3.4 The Responsible Officer, or designee, shall present all University Procedures, whether new or existing, to the Council for the official record of the University's procedures. The Responsible Officer shall communicate to the Council and the President any major issues, regulatory considerations, or additional concerns. A University Procedure is only valid after an official copy is approved by the Responsible Officer and a copy is made available to the University community either (a) on the University website or (b) a copy is created and made available to the University community in the department responsible for the procedure. Any inconsistency with a category of authority described at Section 2.4, 2.5, or 2.6 of this Statement will be resolved in favor of the applicable Law, Board Statement, Resolution, or action, University Policy or Procedure, or, as applicable, collective bargaining agreement.

3.5 The Responsible Officer, or designee, shall present all University Handbooks and Manuals, whether new or existing, to the Council for the official record of the University. The Responsible Officer shall communicate to the Council and the President any major issues, regulatory or additional concerns. A University Handbook or Manual is only valid after an official copy is approved by the Responsible Officer and a copy is made available to the University community either (a) on the University website or (b) a copy is created and made available to the University community in the department responsible for the procedure. Any inconsistency with a category of authority described at Section 2.4, 2.5, or 2.6 of this Statement will be resolved in favor of the applicable Law, Board Statement, Resolution, or action, University Policy or Procedure, or, as applicable, collective bargaining agreement.

3.6 Inspection of policies, procedures, handbooks and manuals may be restricted to the extent allowed by the Oregon Public Records Law to prevent the misuse of sensitive security information, financial and business procedures, and similar information.

3.7 Board Statements or Resolutions may come to the Council for advice and consideration through a variety of channels, including the Board or its chair, its committees, whether standing or *ad hoc*, the President, or a Responsible Officer. The relevant Responsible Officer, at the direction of the Board Chair, Board committee chair, or the President, may present a Board Statement or Resolution, whether new or existing, to the Council for advice and consideration. After any advice and consideration by the Council, and with the Board Chair's authorization, the President or Responsible Officer may submit a draft Board Statement or Resolution to the University community for comment. Notwithstanding the Council's existence as a consultative, advisory group assembled for the benefit of the University, nothing in this Section shall be construed to require the Board or its committees to submit its Board Statements or Resolutions to the Council.

#### 4.0 Format

4.1 All categories of authority will be presented substantially in the same format.

4.2 The Board Secretary shall devise an operational system to organize the Categories of Authority listed in Sections 2.1, 2.2, and 2.3, as required by law.

4.3 The Council will devise an operational system to organize the categories of authority listed in Sections 2.4, 2.5, and 2.6, as required by law.

4.4 Responsible Officers will, from time to time, review categories of authority within their functional areas to determine if repeal or amendment is advisable.

4.5 Technical changes to the organizational system, titles of authorities, indexing of authorities, or any other administrative change necessary to maintain an accessible and efficient policy function that does not conflict with this Board Statement may be accomplished after notice to the Board Chair or President as applicable.

Approved on April 21, 2023



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Daniel P. Santos  
Chair, Board of Trustees



Sabrina Prud'homme  
University Board Secretary

Revision	Change	Date
	Initial Version	June 26, 2015
1	Responsible officers expanded to chief student affairs officer; validation of official university procedures expanded; applicability of Oregon Public Records Law included; basic edits and corrections.	March 22, 2019
2	Responsible officers updated; operational system to organize updated; procedural detail removed from 3.4, 3.5, and 3.7.; basic updates, edits, and corrections.	April 21, 2023

DRAFT

**Southern Oregon University  
Board of Trustees**

**RESOLUTION  
Amendments to Governing Documents  
of the Board of Trustees of Southern Oregon University**

Whereas, the Board of Trustees of Southern Oregon University periodically reviews the board's governing documents;

Whereas, a work group including trustees, the university board secretary, and the university general counsel reviewed the documents below, gathered information, and provided amendments to the Board Statement on Polices and converted the Resolution on the Responsibilities of Individual Trustees to a new Board Statement on the Responsibilities of Individual Trustees;

Whereas, a work group including trustees, the university board secretary, and the university general counsel created a new Board Statement on Social Justice, Anti-Racism and Non-Discrimination; and

Whereas, the Executive, Audit, and Governance Committee of the Board of Trustees of Southern Oregon University has performed a thorough review of the proposed amendments; Now therefore,

Be it resolved, the Executive, Audit, and Governance Committee of the Board of Trustees of Southern Oregon University recommends the aforementioned governing documents to the Board of Trustees for adoption, as provided in the Committee's April 19, 2024 documentation.

VOTE:

DATE: April 19, 2024

Recorded by the University Board Secretary:

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Sabrina Prud'homme



# Future Meetings

# Adjournment