

12-14-2007

## Dual Role Committee, December 14, 2007

Coastal Carolina University

Follow this and additional works at: <https://digitalcommons.coastal.edu/board-committees>

---

### Recommended Citation

Coastal Carolina University, "Dual Role Committee, December 14, 2007" (2007). *Board of Trustees Committee Minutes*. 413.  
<https://digitalcommons.coastal.edu/board-committees/413>

This Article is brought to you for free and open access by the Board of Trustees at CCU Digital Commons. It has been accepted for inclusion in Board of Trustees Committee Minutes by an authorized administrator of CCU Digital Commons. For more information, please contact [commons@coastal.edu](mailto:commons@coastal.edu).

**Minutes  
Coastal Carolina University  
Board of Trustees**

**Dual Role Ad-hoc Committee  
Wall College of Business Board Room  
December 14, 2007**

**Committee Members:** Mr. Tommy M. Stringer, Mr. Ronald R. Norton, Mr. J. Michael Frazier, Mr. David F. Singleton and Dr. Samuel J. Swad  
**Present:**

**Other Board Members**  
**Present:** Mr. J. Wayne George and Mr. Charles J. Hodge

**Others Present:** Dr. David A. DeCenzo, Dr. Debbie Conner, Mr. Mark Roach, Ms. Nila Hutchinson, and Ms. Chyrel Stalvey

Dr. Swad called the Dual Role Ad-hoc Committee meeting to order at 9:15 a.m.

Dr. Swad stated that at the October Board of Trustees meeting, Chairman Billy Alford charged the committee to review the dual roles of the Board and other foundations, as well as the relationship between the Coastal Carolina University administration/employees and foundations, and to review outside resources from the Association of Governing Boards (AGB).

After receiving feedback from the external auditor and conversations out of Columbia, there is the concern that voting on more than one board/foundation is a conflict of interest. Dr. DeCenzo stated that Chairman Alford does not want the trustees to lose the capacity to enhance communications. The question comes down to whether or not the dual-board members should be ex-officio, non-voting or voting?

It was noted that Chairman Alford has restructured the Board committees extending an invitation to various boards/foundations/community entities and ex-officio status was added to those asked to serve. They will serve concurrent with the Board chairman's term.

After reviewing the distributed information, it appears that the AGB recommends that boards/foundations communicate with the president of the university as an ex-officio member.

Mr. Hodge shared his perspective as a dual office holder. He was directed to serve on the Student Housing Foundation (SHF) when it was newly formed, because it was an opportunity to have a private entity to react to the market place for additional student housing. The SHF exists to support the University. Because of circumstances, he was elevated into the chairman's role. He cannot conceive of any time that there has been a "conflict" because his interest has only been for the University. Almost a year ago, the SHF implemented a policy that the Board chairman could not be chairman of the SHF. He cautioned that adopting a non-voting status may hinder the future needs of the University. Future SHFs may not understand the Board's

**Dual Role Ad-hoc Committee**  
**December 14, 2007**

perspective. We need to come to a resolution; however, we should do nothing to adversely affect the potential sale of University Place which should take place by the end of January.

Mr. Stringer expressed appreciation to Mr. Hodge for his work on the SHF and setting up the sale of University Place. The Audit Committee did not have an issue with the conduct of the Board members on the SHF but rather a concern with accounting transactions. The Sarbanes-Oxley Act has wide reaching implications for public entities and standards have increased. The real issue has been with the perception of conflict of interest.

Mr. Singleton felt that there must be an actual, as opposed to a perceived, conflict of interest in order for a trustee to incur liability. The mere appearance of impropriety, which is at most what may exist to date, is not actionable. While the absence of interaction between the various boards/foundations would be a real problem, non-voting ex-officio member status should preserve the existing lines of communication while affording trustees an additional benefit of insulation from potential legal liability if an actual conflict of interest should exist, as well as from criticism regarding any perceived conflicts. This should afford the trustees ample opportunity to present the Board's perspective on any matter. He feels that input from trustees that serve as ex-officio members would carry the same weight as if they were a voting member.

The committee discussed the implementation to ex-officio status of the trustees currently serving on dual-boards without interrupting the ongoing work of the respective foundations/boards. Mr. Hodge suggested implementing at the end of the current members' terms. Mr. Singleton agreed with this. The only concern was that the Foundation has four-year terms. If someone had just begun a term, it may take an extended period of time to rotate out. Implementation was also suggested by the end of the first quarter in 2008.

**Mr. Stringer made a motion to inform the full Board of Trustees that discussion was held in the Dual Role Ad-hoc Committee regarding the conversion of cross-board members to ex-officio status. The committee members have agreed to present that position to their respective boards and discuss a procedure for implementation. A formal motion will be presented at the February 14 committee meeting. Mr. Norton seconded and the motion carried.**

With no further business, Mr. Stringer moved to adjourn and Dr. Swad seconded.

Respectfully submitted,

Tommy M. Stringer  
Secretary/Treasurer