



VSBIT Code of Ethics Policy

Policy

The Vermont School Board Insurance Trust (“VSBIT”) is a nonprofit organization that provides Vermont school districts risk management services, including membership in certain insurance programs. VSBIT recognizes that its board members, its officers have broad interests and participate in many community, charitable, and business activities. Indeed, the broader the individual’s experience, the more value that member brings to VSBIT. As the body that is charged with oversight of VSBIT, it is the ethical and legal duty of all members of the Board of directors to adhere to the highest ethical and professional standards. Members of the VSBIT Board of Directors and VSBIT officers are bound by the legal standards of conduct for nonprofit board of directors and officers and agree to conduct themselves in accordance with the following duties¹:

Duty of care

Board members and officers take care of VSBIT by ensuring lawful, prudent, ethical, and responsible use of all assets, including facilities, people (including staff, board members, officers, service providers and vendors), and good will. Board members and officers provide oversight that ensures the activities of VSBIT advance the mission of VSBIT.

Duty of loyalty

Board members and corporate officers make decisions that are in the best interest of VSBIT, not in individual self-interest, including personal and financial interests². Board members and corporate officers should avoid taking actions or making representations that compromise the authority of the full board of directors to make decisions on behalf of VSBIT. Individual board members will not give the impression that they have the authority to make decisions or take action on behalf of the Board of Directors. Board members and corporate officers will not give the impression that they would represent special interests or partisan politics for personal gain.

Duty of obedience

Board members and officers will be familiar with, will adhere to, and will ensure that VSBIT follows, applicable laws and governing documents. Board members and officers

¹ 11B V.S.A. §§8.30 and 8.42 require non-profit corporate directors and officers to discharge their duties on behalf of the organization “in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner [he or she] reasonably believes to be in the best interests of the corporation and its members, if any.”

² See also VSBIT’s *Board Member and Officer Conflict of Interest Policy*.

conduct themselves in adherence with the VSBIT's stated policies, protocols and purposes, and do not engage in activities that harm VSBIT's ability to pursue its mission.

Implementation

Board members, officers and/or management should promptly report to the Board Chair possible violations of this Code of Ethics by any board member or officer. If the allegations concern the Board Chair, then the report should be made to the Vice Chair.

The Chair shall document and give notice to the board member or officer of any alleged violations. If the alleged violation is potentially material to VSBIT's financial statements, the Chair, or Vice Chair, will coordinate with the President to develop a notification to other board members, VSBIT's legal counsel, and the auditors, as appropriate.

The Chair or Vice Chair shall investigate the alleged unethical conduct, issuing a report with findings of fact and conclusions regarding violation of this policy.

Upon conclusion of the investigation, the VSBIT Board of Directors may take one or more of the following actions or another appropriate course of action determined by the Board:

1. Conclude that there was no misconduct or violation of the Code of Ethics and document that determination.
2. Issue a discipline to the board member or officer who was found to have violated the code of ethics. Such discipline may include termination of employment or seeking the removal from the Board for cause.
3. Vote to censure the person in question.
4. Communicate the misconduct to member school districts.
5. If the person in question is a board member, formally request that person's resignation from the VSBIT Board of Directors.
6. If the person in question is a board member, announce in advance of the next board election cycle for the board member's seat that the person in question has been the subject of VSBIT Board discipline and request that the members not elect the person in question.

Adopted: April 16, 2018

Revised: April 30, 2020

Revised: April 22, 2021, following Legal Review