**General Standards of Conduct for Directors and Officers**

**Utah Code Ann. § 16-6a-822(1)-(3).**

(1)(a) A director shall discharge the director's duties as a director, including the

director's duties as a member of a committee of the board, in accordance with

Subsection (2),

(b) An officer with discretionary authority shall discharge the officer's duties

under the authority in accordance with Subsection (2),

(2) A director or an officer described in Subsection (1) shall discharge the director

or officer's duties;

(a) in good faith;

(b) with the care an ordianary prudent person in a like position would exercise

under similar circumstances; and

(c) in a manner the directors or officer reasonably believes to be in the best

interests of the nonprofit corporation.

(3) In discharging duties, a director or officer is entitled to rely on information,

opinions, reports, or statements, including financial statements and other

financial data, if prepared or presented by:

(a) one or more officers or employees of the nonprofit corporation whom the

director or officer reasonably believes to be reliable and competent in the

matters presented;

(b) legal counsel, a public accountant, or another person as to matters the

director or officer reasonably believes are within the person's professional

or expert competence;

(c) religious authorities or ministries, priests, rabbis, or other persons . . .

(d) in the case of a director, a committee of the board of directors of which the

director is not a member if the director reasonably believes the committee

merits confidence.

**Legal Precedent**

Duty of Care

Reedeker v. Salisbury 952 P.2d 577 (Utah Ct. App. 1998)

FMA Acceptance Co. v. Leatherby Ins. Co., 594 P.2d 1332 (Utah 1979)

Duty of Loyalty

Boston Children’s Heart Foundation v. Nadal-Ginard, 73 F.3d 429 (1st Cir. Mass. 1996) – an example of *self interested transactions*

Shepherd of the Valley Lutheran Church v. Hope Lutheran Church, 626 N.W.2d 436 (Minn. Ct. App. 2001) – example of *conflict of interest*