Cloud computing can be a highly effective means of avoiding information technology costs and are an attractive option to higher education institutions. Cloud computing also creates an incremental potential risk for data breaches and the accompanying privacy concerns that arise when personally identifiable information is stored on third party servers accessible over the internet. Officers and board members of an institution considering a move to the cloud are well- advised to engage in robust diligence and be adequately informed of the benefits and risks of migrating substantial amounts of sensitive data to the cloud. This article provides timely information to higher education institutions to assist the understanding of the nature of cybersecurity risks and preparedness, and how those risks may be mitigated so that the fiduciary duties owed by institutional officers and board members are properly discharged.