



POLICY AND PROCEDURE

TITLE:	Conflict of Interest
---------------	-----------------------------

POLICY STATEMENT:

The purpose of this policy is to ensure that Interested Persons make decisions that are in the best interests of the University, unaffected by Conflicts of Interest. The policy is intended to encompass all types of Conflicts of Interest, including a transaction or arrangement being considered by the University that might benefit the personal interest of an Interested Person. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

PROCEDURE DETAILS:

Duty to Disclose. An Interested Person has a duty to disclose any actual or potential Conflict of Interest he or she may have in any matter, action or transaction being considered by the University. The Interested Person shall provide the material facts to the Board of Trustees, board committee, or other decision-making body of the University concerning the actual or potential Conflict of Interest unless the disclosure would breach a duty of confidentiality owed to another organization.

Determining Whether a Conflict of Interest Exists. If it is not clear whether an Interested Person has a Conflict of Interest, the board, committee or other decision-making body of the University shall decide whether a conflict exists, without the presence or participation of the Interested Person.

Recusal When a Conflict Exists. An Interested Person may not vote or participate in the deliberations or decision on the matter in which the Interested Person has a Conflict of Interest and shall not be present during discussion and voting on the matter.

1. Addressing the Conflict of Interest

- i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- ii. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- iii. After exercising due diligence, the governing board or committee shall determine whether the University can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the University's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- v. A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for the purposes of the vote. For purposes of the section, a member of the board of trustees of Goodwin University has a conflict of interest when he or she stands for election as an officer or for re-election as a member of the Board of Trustees.

2. Violations of the Conflicts of Interest Policy

- i. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

3. Records of Proceedings

The minutes of the governing board and all committees with board-delegated powers shall contain:

- i. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board or committee's decision as to whether a conflict of interest in fact existed.
- ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

4. Compensation

A voting member of the Board of Trustees who receives compensation, directly or indirectly, from the University for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the University for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board of Trustees or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the University, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5. Annual Statements

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms such person:

- i. Has received a copy of the conflicts of interest policy;
- ii. Has read and understands the policy;
- iii. Has agreed to comply with the policy; and,

- iv. Understands the University is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

6. Periodic Reviews.

To ensure the University operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- i. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- ii. Whether partnerships, joint ventures, and arrangements with management organizations conform to the University's written policies are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

7. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 6, the University may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring periodic reviews are conducted.

PUBLISH POLICY STATEMENT (CLICK ON BOX NEXT TO OPTION-SELECT ALL THAT APPLY):

UNIVERSITY CATALOG

STAFF HANDBOOK

FACULTY HANDBOOK

STUDENT HANDBOOK

DEFINITIONS:

Conflict of Interest: A Conflict of Interest exists when an Interested Person or a member of the person's immediate family has either (1) a Financial Interest (as defined below) that could be affected by a decision by or on behalf of the University or (2) another relationship, obligation, loyalty, or interest, whether financial or nonfinancial in nature, that impairs or might reasonably appear to impair the Person's independent, unbiased judgment in the discharge of the Person's responsibilities to the University.

Interested Person: An Interested Person is any trustee, officer, or managerial employee, or a member of the Interested Person's immediate family, who has a direct or indirect Financial Interest, as defined below, or any other personal interest in a matter that may give rise to a Conflict of Interest.

Financial Interest: An Interested Person has a Financial Interest if the Interested Person, directly or indirectly, through a business, investment, or an Immediate Family member:

- i. Has a greater than 10% ownership or investment interest in, or serves as an officer, director, partner, agent or employee of, any entity that transacts or seeks to transact business with the University;
- ii. Has a compensation arrangement with the University or with any entity or individual with which the University transacts or seeks to transact business; or
- iii. Has a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the University transacts or seeks to transact business.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Immediate Family: The term “Immediate Family” means the Interested Person’s: spouse or partner, and any parent, sibling or child of the spouse or partner; parents, grandparents, and children and grandchildren and their spouses or partners; and siblings and their spouses or partners and children.

EXCLUSIONS:

NA

OFFICES DIRECTLY AFFECTED BY THE POLICY:

Each director, principal officer and member of a committee with governing board delegated powers.

HISTORY: Created in 2015, Reviewed, no changes, 2016; Reviewed with minor edits, January 2018. Reviewed and revised January 2020

EFFECTIVE DATE:	September 2015.
RESPONSIBLE OFFICE(ONLY ONE):	Office of the President
REVIEW DATE:	Annually

APPENDIX:

Appendix A: Conflict of Interest Form

<https://www.goodwin.edu/files/pdfs/policies/conflict-of-interest-form.pdf>