

Conflict of Interest Policy for Trustees

Policy Statement

Trustees stand in a fiduciary relationship to the University. They act in good faith with due regard for the best interests of the institution, and comply with the principles of conduct hereinafter set forth.

When a member of the Board of Trustees first receives knowledge of a University transaction or proposed University transaction

to which the trustee or related person is a party, regardless of the dollar amount of the transaction, or

with an organization with which the trustee or a related person has any affiliation other than a permitted interest and in which the amount involved in the transaction exceeds or is likely to exceed \$50,000,

the trustee shall disclose the nature of the transaction and affiliation with the organization. If possible, the disclosure is made prior to the time the transaction is entered into or approved by the Board of Trustees or appropriate officer or authorizing agent of the University.

If authorization or approval of a University transaction described above is considered at any meeting of the Board of Trustees or committee thereof, a trustee who is a party to the transaction, who is affiliated with a party to the transaction, or whose related person is such a party or so affiliated

may be counted in determining the presence of a quorum;
may briefly state a position on the matter and answer pertinent questions;
but may not participate in considerations or any action on the proposed transaction.

If the interested trustee has disclosed the material facts of the transaction and the affiliation and interest, the disinterested trustees present at such meeting, even though less than a quorum, may authorize the transaction by a majority vote.

A trustee periodically discloses the nature of personal or related person's affiliation, other than a permitted interest, with each organization with which there is a reasonable possibility the University may have business dealings in the next year. The disclosure is made at the time of election to the Board and annually thereafter, by filing the disclosure form attached hereto.

No member of the Board of Trustees may use, for personal gain or for the gain of others, any information that was obtained as a result of service to the University and that was not made available by the University to the public.

No member of the Board of Trustees may solicit or accept for personal use or for the use of others any gift, loan, gratuity, reward, promise of future employment, or any other thing of monetary value based on an understanding that the vote, official action or judgment of the member would be influenced thereby.

The Chairperson of the Board as chair, the chairperson of the Committee on Trustees, and the chairperson of the Finance Committee act as an ad hoc committee for overseeing compliance with this policy. If it is determined that a trustee has violated or may violate the policy, the committee notifies the trustee with advice as to the steps that should be taken, in the committee's judgment, to rectify the situation. If an adjustment of the matter is not satisfactorily effected, the matter is referred to the Board of Trustees with a recommendation for remedy or sanction.

Definitions

Affiliation of a person to or with an organization includes holding the position of officer, director, trustee, general or limited, employee, or regularly retained agent of an organization; actual or beneficial ownership of stock, equity, debt, or other financial interest in an organization; expected receipt for services to an organization in the current or a future year in excess of \$5,000, other than salary as an employee.

Organization includes any corporation, partnership, proprietorship, association, trust, government agency or other entity.

Permitted interest means the ownership of shares of stock listed on the New York Stock Exchange, the American Stock Exchange, or any other recognized stock exchange, so long as the amount of such stock of any one issuer is less than 5 percent of the outstanding voting shares; shares of mutual funds; an interest in a blind trust; or any debt instruments of publicly-held companies.

Related person of a trustee means a spouse, parents, siblings, children, or any other relative living in the same household as the trustee.

Transaction means any business of the University with an organization other than a transaction with the University itself or an organization controlled by the University; a transaction for which the University will receive competitive bids from two or more companies; a transaction that involves the rendering of services of a common carrier, contract carrier or public utility, at rates or charges fixed in conformity with law or governmental authority; or a transaction that involves services of a bank depository of funds, transfer agent, registrar or trustee under a trust indenture, or similar services.

Procedures

A trustee who is uncertain about a possible conflict of interest may request that a determination be made on the matter.

Disclosures required under this policy are directed in writing to the Secretary of the University who refers actual or potential conflicts of interest to the President. The President, as chief executive officer, determines whether further referral is in order.

Information disclosed hereunder is held in confidence except to the extent dissemination is necessary for consideration or approval of matters under this policy.

The Secretary of the University distributes disclosure forms to trustees annually.

Related Policies

Bylaws of the University
Disclosure Form for Trustees

History of Policy Conflict of Interest Policy for Trustees

10/14/92 – Adopted by the Board of Trustees
04/18/98 - Reviewed and reaffirmed by the Board of Trustees
10/24/98 - Reaffirmed with placement in *Board of Trustees Manual*

MARYWOOD UNIVERSITY POLICIES AND PROCEDURES MANUAL

Mary Theresa Gardier Paterson, Esquire
Secretary of the University and General Counsel
Phone: (570) 340-6018
E-mail: paterson@marywood.edu