

Conflict of Interest Policy



Loyola College in Maryland, Inc.

CONFLICT OF INTEREST POLICY

PART I MEMBERS OF THE BOARD

Section 1

All Board members shall disclose any possible conflict of interest at the earliest practicable time. Each Board member shall complete and file with the Secretary of the College, on or before September 1 of each year, information about possible beneficial or adverse interests affecting Loyola College, including interests of immediate family members 1 and organizations in which the Board member (or member of his or her family) has significant management function² or a significant ownership interest3. The information shall include any gifts of more than nominal value (\$100) received by the Board member from suppliers of goods or services, or from students, faculty, or others associated with or seeking association with the College. The information disclosed to the Secretary of the College shall be brought to the attention of a committee consisting of the Chair of the Board, the Vice Chair of the Board, and the President of the College, and shall be held in confidence by the committee except as it may be determined by the committee in the best interests of the College to disclose the information to the Board in executive session.

Section 2

No Board member shall vote on any matter under consideration at a Board meeting in which such member has a possible conflict of interest, nor shall such Board member be counted in determining the quorum for such a meeting. The member is under an affirmative duty to inform the Board of any reasons unknown to the Board or not fully appreciated by the Board as to why the matter may not be in the best interests of the College. The minutes of such meeting shall reflect that a disclosure was made, and that the member having a possible conflict of interest abstained from the voting, and that such member was not counted in determining the quorum for the meeting.

Section 3

A Board member shall be considered to have a possible conflict of interest if: (a) such Board member has an existing or potential financial or other interest which impairs or might appear to impair such member's independent, unbiased judgement in the discharge of his or her responsibilities to the College; (b) such Board member is aware that a member of his or her family or any organization in which such Board member (or member of his or her family) has a significant management function or ownership interest (as defined above), has such existing or potential financial or other interests; (c) such Board member (or member of his or her family) has a significant business relation with any person or firm engaging in, or seeking to engage in, business with the College in a matter brought to the attention of the

Board; or (d) such Board member, a member of his or her family, or organization in which the Board member or family member has a significant ownership interest, management function, or other material interests, may receive a material, financial, or other benefit from knowledge or information confidential to the College.

Section 4

Any Board member who is uncertain whether he or she has a possible conflict of interest in any matter should bring the matter to the attention of the Chair, the Vice Chair, and the President of the College who then may request the Board to determine whether a possible conflict of interest exists, and the Board shall resolve the question by majority vote. When possible, the question of possible conflict shall be referred to the College counsel by the Chair before the meeting of the Board.

Section 5

All candidates for membership to the Board shall be advised of this policy prior to their election as members.

PART II

COLLEGE ADMINISTRATORS

Section 1

The President, Vice Presidents and Deans, the heads of academic and administrative departments, and designated employees shall at all times act in ways consistent with their fiduciary responsibilities to the College and shall exercise particular care to avoid any conflict of interest situations so that no detriment to the College results from conflicts between their interests, or those of others of their family, and those of the College. Designated employees are those employees designated by the Vice President for Administration and Finance of the College who, by virtue of their position, may have knowledge of transactions involving the College's endowment fund⁴.

Section 2

If a College administrator, as defined above, believes that he or she may have a conflict of interest, the administrator shall promptly and fully disclose the conflict to the President of the College and shall refrain from participating in any way in the matter to which the conflict relates until the question has been resolved. The information disclosed to the President shall be brought to the attention of a committee consisting of the President and the Vice Presidents of the College. They shall take whatever action is appropriate; the committee shall file with the President a brief memorandum describing this action.

Section 3

A conflict of interest is considered to arise when the administrator or immediate family members (see fn. 1, supra), or organizations in which the administrator or immediate family members have significant management function (see fn. 2, supra), or significant ownership interests (see fn. 3, supra), or other material association, (a) have an

existing or potential financial or other interest which impairs or might appear to impair the individual administrator's independence of judgement in the discharge of responsibilities to the College, and (b) may receive a material, financial or other benefit from knowledge of information confidential to the College.

Section 4

No administrator purchasing goods or services for the College shall contract to purchase such goods or services from any enterprise in which he or she, or his spouse or her spouse, has a financial interest without first obtaining the expressed written approval of the committee described in II (2) above.

PART III ADMINISTRATION

Section 1

The President shall consult with the College counsel regarding all conflict questions of which he is informed and shall report regularly to the Board of Trustees regarding any unresolved conflict questions. This policy statement is to be interpreted and applied in a manner that will best serve the interests of the College. In some cases, it may be determined that after full disclosure to those concerned, the College's interests are best served by participation by the individual despite an apparent conflict.

Section 2

The Secretary of the College shall maintain a list of all persons, including designated employees, to whom this policy statement applies. The Secretary shall distribute annually a copy of this policy statement to those individuals to whom it applies.

Approved by the Board of Trustees March 15, 2000

- Family members are spouse, ancestors, lineal descendants, spouses of lineal descendants, and other family members if living in the same household.
- ² e.g., trustee, director, general manager, principal officer.
- A significant ownership interest is five percent or more of the stock in a corporation doing business with the College, five percent or more interest in the profits of a partnership doing business with the College, or a beneficial interest of five percent or more in any other enterprise doing business with the College.
- Inclusion of Heads of Academic Departments in this statement as administrators is not intended as a precedent for their being so treated in the application of any other provisions of the College rules, regulations or statements of rights and responsibilities.