

## **MOUNT HOLYOKE COLLEGE**

### **POLICY ON CONFLICTS OF INTEREST**

Trustees and others with significant responsibilities for Mount Holyoke have a fiduciary duty of loyalty to the College. At all times they shall act in a manner consistent with this fiduciary obligation and shall exercise particular care that no detriment to the interests of the College (or appearance of such detriment) may result from a conflict between those interests and any personal interests which the individual Trustee or other key individual may have. This duty manifests itself in the requirements to avoid conflicts of interest wherever possible and to deal openly and fairly with the College with respect to matters which are conflicts of interest. Each individual is also expected to avoid actions or situations that create the appearance of a conflict of interest.

This policy applies to all members of the Board of Trustees; all non-Trustee members of Board committees or subcommittees; to all Executive Officers of Mount Holyoke College as defined in the By-laws of The Trustees of Mount Holyoke College; and to all “key individuals” as defined in Exhibit I of this policy. The “family” of a Trustee or key individual includes his or her spouse, parents, siblings, children, grandparents and grandchildren and any others living in the same household.

A conflict of interest can arise whenever a Trustee or other key individual or a member of his or her family: (1) has an existing or potential interest which impairs or might appear to impair his or her independent judgment in the discharge of responsibilities to the College or (2) may receive a material benefit from knowledge of information which is confidential to the College, or (3) may receive a personal gain or advantage by taking an action on behalf of the College. Any contemplated contract, transaction or compensation arrangement between the College and an individual or entity with whom a Trustee, key individual or family member has an official relationship may give rise to a conflict of interest. In this context, “official relationship” means serving as an officer, director, employee, partner, proprietor, or directly or indirectly owning or controlling an entity that does business with the College. A Trustee or key individual “owns” an entity if, individually or collectively with his or her family, the Trustee or key individual directly or indirectly holds more than 35% of the voting membership rights or voting stock in an entity. A Trustee or key individual “controls” an entity if, individually or collectively with his or her family, the Trustee or key individual comprises over 35% of the directors, trustees or other members of the governing body of an entity. Additionally, a conflict may arise if any trustee, officer or other individual covered under this policy has a family or business relationship with any other individual covered under the policy.

It is impossible to enumerate all situations that might be considered conflicts, but interests and relationships that give rise to potential conflicts include the following:

1. Official relationship with commercial or investment banks with which the College regularly does business.
2. Official relationship with investment advisors, managers or other investment professionals with which the College does business.
3. Official relationship with suppliers of other goods or services to the College.

4. Official relationship with insurance agents or carriers doing business with the College.
5. Business relationships among covered individuals.
6. Family relationships with employees of the College or among covered individuals.
7. Consideration of compensation arrangements for key individuals.

#### **I. Conflicts of Interest with respect to Particular Transactions**

If a Trustee or other key individual believes that he or she may have a conflict of interest with respect to any *particular* contract, transaction, or compensation arrangement, he or she shall promptly and fully disclose in good faith the potential conflict to the President and Chair of the Board of Trustees, through the Secretary of the Board of Trustees.

- A. If the President and the Chair of the Board of Trustees determine that there is no conflict of interest with respect to a particular contract, transaction or compensation arrangement involving a Trustee or other key individual, they need not notify the Board of Trustees, but the Secretary of the Board shall keep a record of the decision which shall be available to Board members upon request.
- B. If the President and the Chair of the Board determine that there is in fact a conflict of interest concerning a particular contract, transaction or compensation arrangement with respect to a Trustee or non-Trustee member of a Board committee or sub-committee, the following procedure shall be followed:
  - 1) the conflict shall be reported to the full Board, and the affected individual shall agree to answer any questions about the matter that other Board members may have.
  - 2) The Board or committee or sub-committee must obtain and review, prior to taking any vote, appropriate data as to the comparability of the proposed contract, transaction or compensation arrangement to other, substantially similar contracts, transactions or compensation arrangements.
  - 3) If the particular transaction requires a vote of the Board, or of one of its committees, the affected individual shall not be counted for purposes of a quorum nor shall he or she participate in the discussion or vote on the matter.
  - 4) Such contract, transaction or compensation arrangement must be approved by a two-thirds vote of all members of such board or committee entitled to vote on such contract, transaction or compensation arrangement.
  - 5) The minutes shall reflect:
    - I. the fact that the individual did not vote on the issue;
    - II. the terms of the contract, transaction or compensation that was approved and the date it was approved;

- III. the members of the Board or committee or sub-committee who were present during the discussion of the contract, transaction or compensation arrangement that was approved and those who voted on it;
  - IV. the comparability data obtained and relied upon by the Board or committee or sub-committee and a description of how the data was obtained; and
  - V. any actions taken by the Trustee or key individual who has the conflict of interest with respect to consideration of the contract, transaction or compensation arrangement.
- C. In any case in which the potential conflict with respect to a *particular* transaction involves either the President or the Chair of the Board of Trustees, the affected party shall notify the other through the Secretary of the Board of Trustees, and the conflict shall then be reported to the full Board, and the President or Chair of the Board shall agree to answer any questions about the matter that other Board members may have. If the particular transaction requires a vote of the Board, or one of its committees, the President or Chair shall not be counted for purposes of a quorum nor shall he or she participate in the discussion or vote on the matter. The Board, committee or subcommittee shall follow the procedure outlined in Section B above.

## **II. Annual Disclosure of Potential Conflicts of Interest**

Each member of the Board of Trustees and each other key individual shall complete and file a Conflict of Interest Disclosure Form, in the form attached hereto, with the Secretary of the Board of Trustees annually. The Audit Committee shall annually review all information disclosed and advise the President and the Chair of the Board as to potential conflicts. The Audit Committee may, at its discretion, delegate this annual review to the Chair of the Committee. The completed Disclosure Forms are available to all Board members upon request. Each individual shall agree to answer any questions about potential conflicts that Board members may have.

## **III. Confidentiality Policy**

All information concerning actual or potential conflicts of interest on the part of all members of the Board of Trustees or others with key responsibilities to the college shall be held in confidence unless the best interests of the College dictate otherwise. Any disclosure beyond the members of the Board of Trustees and the President shall take place only upon majority vote of the Board of Trustees.

11/4/78

Reviewed January 1990

Revised February 2004

Revised May 2007

Revised October 2008

**MOUNT HOLYOKE COLLEGE  
CONFLICT OF INTEREST POLICY  
LIST OF KEY INDIVIDUALS**

Associate Treasurer  
Comptroller  
Director of Facilities Planning and Management  
Director of Human Resources  
Director of Risk Management  
Director of Public Safety  
Director of Dining Services  
Director of Auxiliary Services  
Director of Conference Services/Willits-Hallowell Center  
Director of Environmental Health and Safety  
Director of Student Financial Services  
Dean of Admission  
Director of the Career Development Center  
Director of Development  
Director of Corporations and Foundations, Development  
Associate Dean of Faculty  
Associate Dean of Faculty for Science  
Chief Information Officer and Director of LITS  
Director of Infrastructure, Systems and Support, LITS  
Director of Access and Technical Services, LITS  
Director of Physical Education and Athletics  
Dean of Students

**MOUNT HOLYOKE COLLEGE**

**ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM**

I, the undersigned, being a Trustee or other individual with key responsibilities to the College, hereby state that to the best of my knowledge, except as noted below:

1. I do not have an official relationship as defined on page one of the Policy on Conflicts on Interest with any corporation, partnership, or association that transacts business with Mount Holyoke College, nor with any other individual covered by this policy;
2. I, as an individual, do not transact any business, directly or indirectly, with Mount Holyoke College, nor with any other individual covered by this policy;
3. No member of my family, as defined on page one of the Policy on Conflicts of Interest, is in the employ of Mount Holyoke College or would come within the meaning of No. 1 or No. 2 above.

List below any exceptions to the above statements:

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I agree that if any situations arise, of which I am aware, that in any way contradict the above statement, I will immediately notify the Secretary of the Board of Trustees of any conflict, real or potential, and make full disclosure thereof. I have read the document entitled Mount Holyoke College Policy on Conflicts of Interest adopted by the Board of Trustees on November 4, 1978 and most recently revised in May 2007. I agree to answer any questions the Board may have with respect to any actual or potential conflict of interest. I understand that all such information will be held in confidence by the members of the Board unless the best interests of the College dictate otherwise and a majority of the members of the Board of Trustees votes in favor of further disclosure.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature