Title: Conflict of Interest – Trustees  
Policy Number: 01.35.01  
Effective Date: October 10, 1978; as amended on May 13, 2008  
Issuing Authority: Board of Trustees

Policy

All actions of the Board of Trustees shall be taken solely on the basis of a desire to promote the best interests of the University. This policy statement is adopted to provide guidance in achieving this objective, but it is not possible to establish a general policy which will resolve every question about a potential conflict of interest or the maintenance of the integrity of the University. The Trustees can fulfill their duty to the University by keeping in mind the precept of Justice Cardozo: “A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is the standard of behavior.”

1. (a) Whenever an action is to be taken on behalf of the University and a Trustee has a potential conflict of interest, he or she shall disclose the nature of the potential conflict of interest, shall not be counted as present for the purpose of the decision at any meeting at which a quorum is required and shall refrain from participation in consideration of the action to be taken.

(b) A Trustee shall be deemed to have a potential conflict of interest:

(i) when he or she is an officer, director, trustee, partner, employee or agent of, or has a 5% or greater interest in, an entity involved in a transaction with or affecting the University; or

(ii) when he or she is aware that his or her spouse or any of their parents, siblings or descendants is an officer, director, trustee, partner, employee, or agent of, or has a 5% or greater interest in, an entity involved in a transaction with or affecting the University; or

(iii) when, without regard to the foregoing standards, a Trustee believes his or her independent or judgment is or might appear to be impaired by an existing or potential financial or other interest.
(c) If a Trustee is uncertain as to whether or not a given transaction is deemed to have a potential conflict of interest, he or she should seek the advice of counsel.

2. (a) Each Trustee shall provide the Secretary of the Board of Trustees with a written list of all business, charitable and other relationships, with a short description of the nature of each, which might be involved in a transaction with or affecting the University.

(b) Each Trustee shall provide promptly to the Secretary of the Board of Trustees a written disclosure of each contract with and each other transaction affecting the University involving a potential conflict of interest.

(c) The Secretary of the Board of Trustees shall provide copies of the statements required by paragraphs 2(a) and (b) to the Chair of the Board of Trustees, the Chair of the Executive Committee of the Board of Trustees, the Chair of the Budget & Finance Committee of the Board of Trustees, and the President of the University.

3. (a) The integrity of the University can be maintained only if actions are taken in accordance with the standards and procedures set forth in the rules and regulations of the University. No Trustee shall participate in or attempt to influence any action except as his or her participation is required or authorized by the established procedures of the University.

(b) If a Trustee knows personally an applicant for admission or employment, he or she may, if required by the applicant, submit a written recommendation.

4. (a) A Committee on Conflict of Interest shall be responsible for insuring that each Trustee complies with this Policy and avoids conflict of interest. The Committee shall consist of the Chair of the Board of Trustees as Chairman, the Chair of the Executive Committee of the Board of Trustees, the Chair of the Budget & Finance Committee of the Board of Trustees, and the President of the University.

(b) If the Committee determines that a Trustee has violated this Policy or has engaged in an actual conflict of interest, the Committee shall so notify the Trustee and shall advise the Trustee of the steps which, in the Committee’s judgment, should be taken to rectify the situation. If the Committee is unable to effect an adjustment of the matter to its satisfaction, it shall report the matter to the Board of Trustees with a recommendation as to an appropriate remedy or sanction.

5. In the event that a contract or transaction between the University and one or more of its Trustees is authorized at a meeting of the Board of Trustees or one of its committees at which the Trustee is present or participates, the Trustee is required to comply with the disclosure and other obligations of Section 9.1 of the Bylaws of the University.
6. The Secretary of the Board of Trustees shall provide a copy of this Policy to each Trustee upon election and annually thereafter during the month of January.

Notes

1. Dates of official enactment and amendments:

Adopted by the Board of Trustees on October 10, 1978. Amended by the Board of Trustees on December 13, 1983.

Updated and amended by the Board of Trustees on May 13, 2008.

2. History:

The December 13, 1983 amendment inserted Paragraph 4 relating to the establishment of a Committee on Conflict of Interest and renumbered the previous Paragraph 4 as Paragraph 5.

The May 13, 2008 amendment updated the policy by omitting references to Hospital Governors, changing committee names to conform to the bylaws of the University as amended on March 14, 2002, and referring to the bylaws provision on conflicts of interest.

3. Cross References

Bylaws of the University (#01.32.00)
Board of Trustees Policy #04.16.01, Conflict of Interest – All Employees
Board of Trustees Policy #04.16.02, Conflict of Interest – Faculty
Board of Trustees Policy #04.16.03, Gifts and Conflict of Interest – All Employees