

## **CONFLICT OF INTEREST POLICY FOR TRUSTEES AND EMPLOYEES OF MARIETTA COLLEGE**

1. **SCOPE.** The following statement of policy applies to each member of the Board of Trustees and to covered individuals of Marietta College. It is the purpose of this policy:
  - a. To expect all covered individuals, while acting for or engaging in an activity affecting the College to do so with loyalty to the College and to maintain the highest standard of ethics;
  - b. To require all covered individuals to avoid situations involving conflicts including, but not limited to, financial dealings that are contrary to the College's best interests, membership equity or employment relationships that may be in conflict, acceptance of favors, money or other considerations which might obligate the recipient to take action adverse to the College's interest;
  - c. To provide suitable mechanisms for resolving conflicts of interest so that the best interests of the College will be protected while observing Its standards of ethics;
  - d. To respect the rights of all covered individuals to engage in activities outside the normal scope of employment provided such activities do not conflict with or reflect adversely on the College's interest or deprive the College of an appropriate measure of time and effort.
  
2. **RESPONSIBILITIES.** Trustees and covered individuals of the College serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the trustees and employees of the College are to be made on the basis of a desire to promote the best interests of the College. The College's integrity must be protected and advanced at all times.

Men and women serving their community are inevitably involved in the affairs of other institutions and organizations. Effective trustees and covered individuals cannot consist of individuals entirely free from at least perceived conflicts of interest. Although most such potential conflicts are and will be deemed to be inconsequential, everyone has the responsibility to ensure that the Board of Trustees is made aware of situations that involve personal, familial, or business relationships that could be troublesome for the College. Thus, the Board requires that each covered individual annually

- a. Review this policy;
- b. Complete a disclosure form noting any possible personal, familial, or business relationships that reasonably could give rise to a conflict involving the College; and
- c. Acknowledge by his or her signature that he or she is in accordance with the letter and spirit of this policy.

3. **DISCLOSURE.** All covered individuals are requested to list on this form *only those substantive relationships* that he or she maintains (or members of their family maintain) with organizations that do business with the College or otherwise could be construed to potentially affect their independent, unbiased judgment in the light of his or her decision-making authority or responsibility. In the event a trustee is uncertain as to the appropriateness of listing a particular relationship, the Chair of the Board of Trustees *and/or* the President should be consulted. They, in turn, may elect to consult with legal counsel, the Executive Committee, or the full Board of Trustees in executive session. Employees should contact their immediate supervisor and/or appropriate College officer if assistance is needed in completing the required disclosures. Such information, including information provided on this form, shall be held in confidence except when, after consultation with the trustee or employee, the College's best interest would be served by disclosure.

The following definitions are provided to help individuals decide whether a relationship should be listed on this form:

*Conflict of Interest:* A potential conflict of interest occurs when there is a divergence between an individual's private interests and that individual's obligations to the College such that an independent observer might reasonably question whether the individual's actions or decisions are determined by personal interest.

*Covered Individuals:* An individual that is a 1) current trustee, officer, or key employee; 2) former trustee, officer, or key employee depending on current compensation arrangements; and 3) one of the top five paid individuals outside the groups in (1) and (2) above.

*Business Relationship:* One in which a covered individual, or a member of his or her family as defined below serves as an officer, director, employee, partner, trustee, or controlling stockholder of an organization that does substantial business with the College.

*Family Member:* A spouse, parents, siblings, children, or any other relative if the latter resides in the personal household of the covered individual.

*Substantial Benefit:* When a covered individual or a member of his or her family (1) is the actual or beneficial owner of more than 5 percent of the voting stock or controlling interest of an organization that does substantial business with the College or (2) has other direct or indirect dealings with such an organization from which the covered individual or a member of his or her family benefits directly, indirectly, or potentially from cash property receipts totaling \$10,000 or more annually.

4. **RESTRAINT ON PARTICIPATION.** Covered individuals who have declared or have been found to have a conflict of interest shall refrain from participating in consideration of proposed transactions, unless for special reasons the Board of Trustees or Administration requests information or interpretation. A trustee shall not vote on any matter under consideration at a Board of Trustees meeting in which said trustee has a conflict of interest, nor shall said trustee be counted in determining the quorum for the meeting. The minutes of the meeting shall reflect that a disclosure was made by the trustee having a conflict of interest and that this trustee abstained from voting and was not counted in determining the quorum for the meeting. Trustee committees and their members shall also operate under the procedures outlined above.

**The following procedures have been adopted to carry out the Conflict of Interest Policy:**

1. The President shall designate the College officers responsible for requesting confidential information annually from covered individuals. The responsible officers shall do so using the Disclosure of Conflict of Interest Form to aid in disclosing apparent conflicts of interest. It is understood that at this stage they may share confidential information only with each other and the President. The designated College officers, having identified an apparent conflict of interest at Marietta College, shall consult with the individual involved in an attempt to resolve the apparent conflict in a manner consistent with the best interests of the College and the rights of the individual, while maintaining the highest ethical standards. Completed disclosure forms, including identified conflicts of interest and documented resolutions, will be maintained by the President's office.
2. College officers shall refer such conflicts as they are unable to resolve to the President for his or her recommendation. If the President is unable to resolve the conflict of interest, it shall be forwarded to the Audit Committee of the Board of Trustees for its recommendations, which shall be transmitted to the Executive Committee of the Board of Trustees.
3. The Executive Committee of the Board of Trustees shall resolve conflict of interest matters referred to it by determining a course of action that will best serve the College's interests and that will be in accordance with the highest ethical standards.
4. The Human Resources Department will review the Conflict of Interest Policy with covered individuals and make the disclosure form available to them upon hire.
5. On an interim basis, employees who identify a newly-arisen potential conflict will notify their immediate supervisor, complete the "Disclosure of Conflict" form, and submit it to the College officer designated in section 1 above for appropriate follow up and resolution.

**Initial policy adopted by BOT on 17Feb95  
Revised 30Apr09; approved by AC 30Apr09  
Adopted by BOT 7May09  
Revised 11Jun09  
Revised 24Sep09; approved by AC 24Sep09  
Adopted by BOT 02OCT09**