

## **Pfeiffer University**

### **Conflict of Interest Policy for Board of Trustee Members, Employees, Independent Contractors and Volunteers**

Approved by the Board of Trustees, October 23, 2009

#### **I. Applicability**

The following statement of policy applies to every Board of Trustee member, employee, independent contractor and volunteer (individually a “*Covered Individual*” and collectively “*Covered Individuals*”) at Pfeiffer University.

#### **II. Statement of Policy**

Pfeiffer University regards its Board of Trustee members, employees and volunteers as people of high integrity and ethical standards and expects them to act accordingly. All decisions of Covered Individuals must be made solely on the basis of a good faith desire to advance the best interests of Pfeiffer University and the public good. Accordingly, all Covered Individuals have an obligation to fulfill their responsibilities in accordance with the terms of this policy.

Covered Individuals may have relationships and affiliations that may appear to be a conflict of interest. Although many such conflicts are and will be deemed inconsequential, each Covered Individual has an ongoing responsibility to disclose any situations that involve personal, familial, or business relationships that may give rise to a conflict of interest. Each Covered Individual is required to:

- (a) Be familiar with the terms of this policy;
- (b) Disclose any actual or potential ethical, legal, financial, familial, or other conflicts of interest involving Pfeiffer University in accordance with the procedure set forth in this policy;
- (c) Unless approved by the President or the Board of Trustees, remove oneself from a position of decision-making authority with respect to any situation in which one has any actual or potential ethical, legal, financial, familial, or other conflicts of interest involving Pfeiffer University;
- (d) Acknowledge by signature that one is currently in accordance with the letter and spirit of this policy and owes a continuing obligation of compliance with this policy.

### **III. Definitions:**

#### **(1) Business Relationship**

One in which a Covered Individual or Family Member as defined in Section (3), serves as an officer, director, employee, member, manager, partner, trustee, agent, or controlling stockholder of an organization that does business with Pfeiffer University.

#### **(2) Conflict of Interest**

No definition can be sufficiently inclusive to cover all possible types of conflicts of interest. Covered Individuals have an affirmative responsibility to identify all actual or potential conflicts of interest in whatever form so that the President or Board of Trustees of Pfeiffer University may determine whether a conflict of interest exists. The following non-exclusive definitions may be used as guidance:

##### **A. Actual Conflicts of Interest**

Conflicts of interest are, most generally, situations in which Covered Individuals have interests or relationships, including a personal or Business Relationship, that may reasonably be construed to affect their independent, unbiased judgment when making or participating in the making of decisions on behalf of Pfeiffer University, where such decisions will or could materially benefit them or their Family [as defined in Section (3)], either directly or indirectly.

##### **B. Potential Conflicts of Interest**

A *potential* conflict of interest occurs when a Covered Individual's personal or private interests or Business Relationships might lead an independent observer reasonably to question whether the individual's professional actions or decisions are influenced by the considerations of a Business Relationship or significant personal interest, financial or otherwise. A potential conflict of interest exists when:

- Covered Individual or Family Member may receive a financial or other significant benefit as a result of his/her position at Pfeiffer University;
- Covered Individual has the opportunity to influence Pfeiffer University's financial, business, administrative or other material decisions in a manner that leads to personal gain or advantage by Covered Individual or Family Member;
- Covered Individual or Family Member has an existing or potential financial or other significant interest that impairs or appears to impair one's independence in the discharge of responsibilities to Pfeiffer University.

### **C. Examples**

The following is a partial list of activities or actions that merit case-by-case examination to determine whether a Conflict of Interest exists that should either be managed appropriately or eliminated. This list is not exclusive and other situations may require case-by-case examination as well.

- Consulting activities;
- The purchase of goods or services for Pfeiffer University from businesses in which the Covered Individual or Family Member has a financial interest, or as a result of such purchase, may directly benefit;
- Receipt of gifts, gratuities, loans, or special favors (including trips or speaker's fees) from research sponsors or vendors;
- Holding of an ownership interest by the Covered Individual or Family Member in any real or personal property leased or purchased by Pfeiffer University;
- Holding of an equity, royalty, or debt instrument interest by the Covered Individual or Family Member in an entity providing to Pfeiffer University financial support, including research or other support or services, when such support will benefit the Covered Individual or Family Member;
- Receipt directly to the Covered Individual, from non-Pfeiffer University sources, of cash, services, or equipment provided in support of the Covered Individual's Pfeiffer-related activities;
- Memberships on board of directors, administrators, advisory groups (or similar bodies) of governmental, for-profit or not-for-profit entities;
- Use of information received in one's position at Pfeiffer University for personal purposes;
- Employment or promotion of a member of the Covered Individual's Family that results in Family member reporting directly to the Covered Individual;
- Due to the inherent positional power residing in the members of the Board of Trustees and the executive positions (President, Provost) requiring Board of Trustee approval, an assumption of undue influence is extended to members of their families. Therefore, family members of these individuals may work as paid employees or as a contractual entity for the university only with prior Board of Trustee Executive Committee approval.

#### **(3) Family Member**

A spouse, parent, sibling, child, or any other member of a Covered Individual's household.

#### **IV. Required Disclosure**

If a Covered Individual believes an actual or potential conflict of interest with respect to this policy or any particular transaction may apply to that individual, that person shall immediately and fully disclose the potential conflict in writing to that individual's immediate supervisor or to:

President, Provost or Vice President of Financial Services.

If a member of the Board of Trustees or the University's President believes an actual or potential conflict of interest with respect to this policy or any particular transaction may apply to that individual, that person shall immediately and fully disclose the potential conflict in writing to:

Board of Trustees Executive Committee.

If a Covered Individual believes an actual or potential conflict of interest may apply with respect to a vendor that does business with Pfeiffer University, that individual shall immediately and fully disclose the potential conflict by submitting an Employee-Vendor Relationship Disclosure Form to:

Vice President of Financial Services.

#### **V. Restraint on Participation**

If a Covered Individual believes an actual or potential conflict of interest exists with respect to any transactions or decisions, that person shall refrain from participating in any transactions or decisions related to such conflict of interest unless otherwise approved by the President, Board of Trustees or Vice President of Financial Services. Once an actual or potential conflict of interest has been related to the appropriate party as outlined above, said party will review such actual or potential conflict of interest and either approve or disapprove of the individual's involvement in any transactions or decisions related to such conflict of interest within a reasonable time, not to exceed 30 days.

#### **VI. Statement of Acceptance and Disclosure**

All trustees, officers and employees of the University shall sign a Statement of Acceptance and Disclosure Form.

***CONFLICT OF INTEREST  
STATEMENT OF ACCEPTANCE AND DISCLOSURE FORM***

I have received and read Pfeiffer University's **Conflict of Interest – Statement of Policy**. Listed below (should you need more space, please attach a separate sheet of paper) are all conflicts, or potential conflicts, that I am aware of at the present time:

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I understand and acknowledge that, should a conflict or potential conflict arise, it is my obligation to notify the parties specified within the agreement.

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(Today's Date)

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(Signature)

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(Printed Name)