

CONFLICT OF INTEREST FOR THE BOARD OF GOVERNORS

Title: Conflict of Interest for the Board of Governors	Number: 1.02.0707.
Approved by the Board of Governors Date: July 17, 2007	Implementation Date: July, 2007
History: Scheduled Review Date:	Origin: Administration

A “conflict of interest” transaction is a transaction with the College in which a Member of the Board of Governors has a direct or indirect personal interest. It is recognized that actual or potential conflicts of interest may arise because of the multiple interests and activities of Board Members. Decisions are to be made solely to promote the best interests of the College and the public good rather than to serve a personal interest. For this reason, Board Members have a responsibility to discharge their duties in good faith, with a high degree of diligence, care, and skill for the sole benefit of the College.

BACKGROUND

All Members of the Board of Governors of the H. Lavity Stoutt Community College serve a public-interest role and must conduct all affairs of the College in a manner consistent with this concept. The College relies on the participation of the Members to carry out the purposes set forth in the College Act and to fulfill its mission. In such capacity, Members serve in a fiduciary capacity and therefore have a responsibility to avoid conflicts of interest in the performance of their duties. From time to time, this may require that they do so through disclosure of a potential conflict, abstention from voting, or such other actions concerning a given matter. Board Members should err on the side of caution in any situation that is, or that may become a conflict of interest.

PURPOSE

This policy is designed to foster high ethical standards of performance on the part of Board Members by insuring that actual or apparent conflict-of-interest situations are avoided.

Nothing in this policy shall be considered to conflict with applicable policies of the Government or laws of the Territory governing the conduct of public officers and public employees.

This policy is not intended to prevent Board Members from furnishing services or goods or otherwise entering into business relationships with the College. However, such an arrangement or contract must be pursuant to an arm's length agreement for fair and reasonable consideration.

It is also not the intent of this policy to prevent the College from contracting with corporations or businesses because a Board Member is an employee of the firm. The policy is designed to prevent placing a Board Member in a position where his/her interest in the College and his/her interest in his/her place of employment might conflict and to avoid appearances of conflict of interest even though such conflict may not actually exist.

DEFINITIONS:

Financial Interest: "Financial interest" means any interest, direct or indirect, in the financial success or failure of an organization or company with whom the College does business, regardless of how such interest was acquired. A "financial interest" includes being a part or whole owner or partner; owning stocks or bonds; or having any other arrangement that results in an interest in or claim upon the assets or income of the company, organization or business. Excluded are immaterial interests, that is, interests of such a general or insignificant nature that College transactions with the organization will not result in direct benefit to the individual.

Direct Interest: A Board Member has an interest if the Member or an immediate family will derive an economic benefit. A Member has a direct interest if another entity in which the Member has a material interest or in which the Member is a general partner is a party to the transaction or
(ii) another entity of which the Member is a director, officer or trustee is a party to the transaction.

Indirect Interest: A Board Member has an indirect interest in a transaction if any Member of his or her immediate family is a party to the transaction or has a material interest in another entity that is a party to the transaction.

Family Members: Family Members include the Board Member's spouse and any of interest those who are related to the Board Member as parents, children, siblings or any other relative living in the same household as the Board Member.

Gift: A "gift" means anything of value (except as excluded below). A "gift" may be in the form of money, goods, entertainment, services, price concessions not available to all Board Members or to the public, use of property or facilities or loans (except loans upon normal terms from a lending institution), or in any other form. Specifically excluded from the term "gift" are nominal advertising items or promotional materials of token value, or food consumed at a business meeting.

CONSIDERATIONS

Members of the Board of Governors should not have a personal financial interest in transactions with the College. Recognizing that such interests will be on occasion unavoidable, there should be full disclosure of any such interest in advance of Board or College action.

1. No Member of the Board of Governors shall recommend or determine to enter into a transaction on behalf of the College when such transaction involves an organization in which the Member has a financial interest.
2. The College shall not enter into any transaction for the purchase of any item or service with a Board Member, his/her spouse, parent, child or sibling.
3. Acceptance by a Board Member of a gift, loan, gratuity, reward, promise of future employment, or any other thing of monetary value from an individual or organization that engages in commercial transactions with the College is prohibited.

4. A Board Member must inform the Board of any employment, direct or indirect financial interest, consulting, service, or other relationship that might interfere with her/his duties as a Board Member or raise a question of conflict of interest. Such information must be provided by completing a Board Member Conflict of Interest Disclosure Statement as soon as he/she becomes aware of (preferably before) discussions concerning the transaction under consideration.
5. A Board Member may be counted in determining the presence of a quorum; may briefly state a position on the matter and may answer any pertinent questions on the proposed transaction that may involve a conflict of interest.
6. A Board Member must abstain from voting on any matter when to do so would place or appear to place the Member in a conflict-of-interest situation. The minutes of Board meetings shall record such abstentions.

EXCEPTIONS TO THE POLICY:

1. In rare instances, a Board Member may obtain an exception to this policy. It is the responsibility of the Board Member to report reasons for the need for an exception. The Board Member must make the request in writing to the Chairman of the Board using the Board Member Request for Exception to the Conflict of Interest Policy. The request shall be reviewed by, and the exception approved by the full Board.
2. Any approved exceptions to this policy must be made in writing and the reasons must be documented. Approval of an exception shall be based upon a finding that the transaction is fair, reasonable, and in the best interests of the University.

PROCEDURE

The Policy on Conflict of Interest is adopted for the guidance of Board Members and is to be enforced solely by the Board of Governors.

Board Members are expected to file a Board Member Conflict of Interest Disclosure Statement if:

- (a) They and/ or any family Member(s) are in a position to, or receives income from a vendor that is doing (or considering doing) business with the College; and / or
- (b) They and/or any family Member(s) have other affiliation or interest in a vendor that is doing (or considering doing) business with the College: and /or
- (c) They have received gifts (other than food, lodging, transportation or entertainment accepted as a guest) that have a total value of more than \$250 in the 12-month period before the officer becomes aware of the conflict.

Related Forms: (1) Board Member Conflict of Interest Disclosure Statement

(2) Board Member Request for Exception to Conflict of Interest Policy

Responsible Executive: Chairman, Board of Governors Date Approved: _____

BOARD MEMBER CONFLICT OF INTEREST DISCLOSURE STATEMENT

I, _____, have read and understand the H. Lavity Stoutt Community College Board of Governors Conflict of Interest Policy. I understand that I must conduct myself so as to avoid any conflict or potential conflict of interest relating to my position as a Board Member of The H. Lavity Stoutt Community College.

As it pertains to the following transaction that will be considered by the College administration or by the Board of Governors:

Describe the Transaction:

I, and / or Members of my family (spouse, parents, children, and siblings) have the following affiliations or interests, that when considered in conjunction with my position as a Board Member of the College, might constitute a conflict of interest:

Employment or Service Conflict : Identify any employment or provision of services by you or your family - current or planned, which may be in conflict with your position as a Member of the Board of Governors of the College as it pertains to the transaction described above:

Interest or Financial Conflict: Identify any interests or positions which you or your family hold, directly or indirectly, in the above transaction from which the College will secure goods or services.

Gifts, Gratuities, Services and Entertainment Conflict: Identify any gifts, gratuities, services or entertainment that you or your family have accepted that might influence your judgment or actions concerning the above transaction with the College:

Other Conflict: Identify any other activities in which you or your family are engaged that might be regarded as constituting a conflict of interest with regard to the transaction above.

Signature of Board Member: _____ Date: _____

BOARD MEMBER REQUEST FOR EXCEPTION TO THE CONFLICT OF INTEREST POLICY

In rare instances, a Board Member may request an exception to the Conflict of Interest Policy. Such exception would allow the Member to participate in the discussion concerning the matter and to vote as a Member of the Board concerning the action to be taken.

The Board Member should read thoroughly the Conflict of Interest Policy approved by the Board before considering making such a request. A Request for Exception is not encouraged.

REQUEST FOR EXCEPTION TO THE CONFLICT OF INTEREST POLICY

As it pertains to the following transaction that will be considered by the College administration or by the Board of Governors:

Describe the Transaction:

Describe, in detail, the reason and justification for making a Request for Exception to the Policy:

Signature of Board Member: _____ Date: _____

Decision by the Board:

If Approved, describe the reason for approval:*

Signature of Board Chairperson: _____ Date: _____

* Additional explanation of the reason for the exception should be reflected in the Minutes of the Board meeting.