

GOUCHER COLLEGE CONFLICT OF INTEREST POLICY

I. STATEMENT OF POLICY

It is the responsibility of all members of the Board of Trustees, all officers and administrators, all faculty, and all other employees of Goucher College to exercise their best care, skills, and judgment in directing, administering, and operating the affairs of the college. Accordingly, it is the policy of Goucher College that such individuals shall act in a manner consistent with their responsibilities to the college and shall avoid circumstances in which their own financial or other interests could present an actual, potential, or apparent conflict of interest.

This policy does not attempt to describe or address every situation that might create an actual, potential, or apparent conflict of interest. As a general principle, however, all trustees, officers and administrators, faculty, and other employees of the college should avoid any actions or situations that might result in or create the appearance of using their association with the college for private gain, giving unwarranted preferential treatment to any outside individual or organization, or losing their independence or impartiality of judgment in the discharge of duties and responsibilities on behalf of the college.

II. DEFINITIONS

A. “Covered individual” means a trustee, officer, administrator, faculty member, or other employee of the college.

B. “Family member” means (a) a covered individual’s spouse; (b) a covered individual’s child or stepchild (and their descendants), parent or stepparent, parent- or stepparent-in law, sibling, and brother- or sister-in-law; (c) the spouse of any person referred to in clause (b); and (d) any person (other than a tenant or employee) sharing the household of the covered individual.

C. “Material financial or other interest” means a financial or other interest or relationship that might impair or appear to impair independent judgment in the discharge of responsibilities to the college. Examples include, but are not limited to, serving as a partner or executive officer of an entity, serving on the board or other governing body of an entity, receiving compensation from an entity, or owning a substantial interest in an entity.

III. PRESUMED CONFLICTS OF INTEREST

For purposes of this policy, a conflict of interest is presumed to exist when the college has or is considering a transaction or other business relationship with a covered individual, a family member of a covered individual, or an outside entity in which a covered individual or family member has a material financial or other interest.

IV. DISCLOSURE OF CONFLICTS OF INTEREST

A. Trustees. Every trustee, including trustees emeriti, shall complete, sign, and submit to the general counsel an annual statement disclosing all known material financial or other interests of the trustee or a family member in any transaction or business relationship the college has or is considering, including material financial or other interests in any outside entity involved in such transaction or relationship. Such statement shall be in a form approved by the Executive Committee upon recommendation by the Audit and Governance Committee of the Board of Trustees.

A trustee who has, or whose family member has, a known material financial or other interest in a pending or proposed transaction or business relationship that arises after the annual statement is submitted shall promptly disclose to the Board chair and the general counsel the existence of the interest and other material information that the trustee may have regarding the transaction or relationship.

B. Officers and Administrators. Upon annual recommendation of the Audit and Governance Committee, the Executive Committee shall designate certain officers and administrators of the college to complete annual disclosure statements, based on the responsibilities of such individuals in the operations of the college. Designated officers and administrators shall complete, sign, and submit to the general counsel an annual statement disclosing all known material financial or other interests of the officer or administrator, or a family member, in any transaction or business relationship the college has or is considering, including material financial or other interests in any outside entity involved in such transaction or relationship. Such statement shall be in a form approved by the Executive Committee upon recommendation of the Audit and Governance Committee.

A designated officer or administrator who has, or whose family member has, a known material financial or other interest in a pending or proposed transaction or business relationship that arises after the annual statement is submitted shall promptly disclose to the college president and the general counsel the existence of the interest and other material information that the officer or administrator may have regarding the transaction or relationship.

C. Faculty and Other College Employees. College employees, including faculty, who are not required to make annual disclosures as provided above shall nevertheless be obligated to disclose promptly any known material financial or other interest the employee or a family member has in a pending or proposed transaction or business relationship with the college, consideration of which falls within the office or department of the employee. The employee shall make full written disclosure to the college president and the general counsel of all facts concerning the employee's interest in the transaction or relationship before the transaction or relationship is implemented.

D. Protected Information. Nothing in this policy is intended to require a disclosure of client relationships or other information that is contrary to ethical codes governing the legal, accounting, or other professions. Any such information shall be handled by the individual trustee, officer, administrator, faculty member, or other employee in accordance with applicable professional codes of ethics.

V. DETERMINATION OF CONFLICT OF INTEREST

The general counsel shall review and summarize all disclosure statements for presentation to the Audit and Governance Committee. The Audit and Governance Committee shall review each disclosure, request and review such additional information as it deems pertinent, and determine if an actual, potential, or apparent conflict of interest exists. At its discretion, the Audit and Governance Committee may refer a disclosure to the Executive Committee for final determination. If the disclosure being reviewed involves a member of the Executive or Audit and Governance Committee, that member shall not participate in or be present during the committee's deliberations.

VI. ACTIONS TO ADDRESS CONFLICT OF INTEREST

A. Participation. If it is determined that a covered individual has an actual, potential, or apparent conflict of interest, that individual may be counted in determining the presence of a quorum, but shall not participate in any consideration of or decision about the proposed transaction or business relationship for which the conflict may exist. The individual may present information upon request, but may not be present for any discussion of or vote on the matter. Those trustees, officers, administrators, faculty, or other college employees who approve the transaction or relationship shall do so only upon finding that there is no actual conflict of interest or that the transaction or relationship is in the college's best interest, is for the college's benefit, and is fair and reasonable to the college.

B. Documentation. Any minutes or other documentation related to a decision about a proposed transaction or business relationship for which an actual, potential, or apparent conflict of interest exists shall reflect that a disclosure was made; that an actual, potential, or apparent conflict was determined to exist; that the individual for whom the conflict may exist did not participate in consideration of or decision on the matter; and that there is no actual conflict of interest or that the transaction or business relationship is in the college's best interests, is for the college's benefit, and is fair and reasonable to the college.

C. Other measures. In addition to the measures described above, the Audit and Governance Committee or, where appropriate, the Executive Committee, may direct the college or the covered individual to take other action to address the conflict, including but not limited to removal or reassignment of certain responsibilities or committee memberships.

VII. GIFTS

Covered individuals shall not, for themselves or family members, encourage or accept gifts, favors, or gratuities of more than nominal value from any individual or entity that to the covered individual's knowledge has, or seeks to have, a business relationship with the college.

VIII. APPROPRIATION OF COLLEGE OPPORTUNITIES

If a covered individual becomes aware of a business, investment, or other potentially valuable opportunity that rightfully belongs to the college, and not to the covered individual or another entity with which the covered individual is affiliated, the covered individual shall bring the opportunity to the attention of the Board chair if the covered individual is a trustee, or to the college president if the covered individual is an employee.

IX. CONFIDENTIALITY

Covered individuals may not use confidential information acquired as a result of service to or employment by the college for any purpose unrelated to college business, or provide such information to any third party, without the consent of the Executive Committee if the covered individual is a trustee, or of the college president if the covered individual is an employee. Wrongful use of college information includes, but is not limited to, use or disclosure of information to engage, invest, or otherwise participate in any business, project, venture, or transaction other than through the college.

X. ACTIONS NOT VOID OR VOIDABLE

No transaction or action undertaken by the college shall be void or voidable by another party to the transaction or other action, or may be challenged as such by that party, by reason of having been undertaken in violation of this policy or the principles set forth herein.