

## HAMPSHIRE COLLEGE CONFLICTS OF INTEREST POLICY

### **Scope**

This conflict of interest policy applies to Hampshire College Trustees, Non-Trustee Committee Members, Officers, and Management-level Employees, collectively referred to as “Members”.

### **Policy Statement**

All Members work in service to the College and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Hampshire College Board and its Trustees individually, along with the decisions of Committee Members, Officers and management-level employees must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interests of the College, and with due regard for the College’s best interests. The Members have a duty of loyalty to the College. At all times they should act in a manner consistent with their fiduciary obligations and shall exercise particular care that no detriment to the interests of the College may result from a conflict between those interests and any personal interests that the individual Member may have. It is, therefore, the policy of the College that the Members identify, disclose, and manage conflicts in conformance with this policy and the law. The existence of such a conflict does not necessarily prohibit the transaction but does require that certain disclosures, voting and other tests be met prior to the consummation of a transaction that might pose a conflict of interest.

This policy addresses situations where there might be an actual or potential financial or personal conflict between a particular outside interest of a Member and the fiduciary obligations that the Member owes to the College, as described above. While Members have outside service, business, and professional interests, such interests should enhance the Member’s role and neither compromise the Member’s ability to meet his or her College responsibilities nor harm the College.

Members have an obligation to address both the substance and the appearance of conflicts of interest and, if they arise, to disclose them to the appropriate College leaders and, if appropriate, governing bodies, and withdraw from debate, voting, or other decision-making processes where a conflict of interest exists or might arise. The failure to do so may be grounds for removal. Agreement with these principles includes the understanding that conflict of interest situations, or the appearance of conflicts of interest, have the potential to result in serious harm to the welfare of the College.

### **Definitions**

*Conflict of interest.* A conflict arises when there is a direct or indirect potential, apparent or actual divergence between a Member’s private interests and his or her fiduciary duties relative to the College. Conflicts may affect non-financial as well as financial interests. The Member may

be personally involved in a proposed transaction, have an employment, fiduciary or investment relationship with an entity with which the College is dealing, or have a family relationship with a person or entity with which the College is engaged.

An *apparent conflict* exists when a reasonable person would conclude from the circumstances that a Member's ability to discharge his or her duties as a fiduciary is compromised by personal interest.

A *member of the immediate family* of a Member includes a spouse or civil union partner, child, parent, sibling, or such relations by marriage or civil union partnership, person claimed as a dependent for federal income tax purposes, and any relative residing in the same household as the Member. There may be other family members as to whom disclosure should also be made to avoid the appearance of a conflict, and doubts should be resolved in favor of disclosure.

An *Affiliate* includes a business, business association, corporation, partnership, trust, or other legal entity in which a Member or an immediate family member is a director, trustee, officer, member, partner, joint venturer, principal, employee, owner, and/or holder of five percent (5%) or more of voting stock or interest. In addition, an Affiliate is an entity from which the Member or an immediate family member otherwise annually receives or has the right to receive \$1,000 or more of compensation.

#### Illustrations of Possible Conflicts of Interest

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest. Below are some examples of situations presenting potential, actual or apparent conflicts.

1. *Commercial transactions.* Commercial transactions between a Member, or an Affiliate of the Member, and the College are not *per se* barred under this Policy. In such situations, however, due to the actuality or appearance of a conflict, it is essential that, as to such proposed transactions, there is a strict adherence to disclosure and recusal protocols set forth in this Policy. Such transactions will be permissible if (a) the transaction is at fair market value; (b) the College considers alternative competitive proposals; and (c) the College determines that the transaction is fair and reasonable to, and clearly in the best interests of, the institution, despite an actual or apparent conflict. The College shall contemporaneously document these determinations at the time it considers the transaction.
2. *Confidential, Proprietary or Privileged Information.* Except as required by law, no Member shall, without proper Board or institutional authorization, give or release College information or data of a confidential, proprietary or privileged nature ("Information"), or use such Information to gain personal advantage or avoid personal detriment, insofar as such Information is not in the public domain. This rule applies to Members during and after their College service relative to information acquired in the course of their service to the College.

3. *Business Opportunities.* No Member shall divert from the College for private gain of self or others, including an Affiliate of the Member, a business opportunity about which the Member learned while in service to the College and in which the College would foreseeably engage in furtherance of its mission.
4. *Employment or Retention of Immediate Family Members or Affiliates.* No Member may be directly or indirectly involved in the hiring, supervision, performance evaluation, compensation or retention of personal or business services by the College of an immediate family member or an Affiliate.
5. *Remuneration, Gifts, and other Consideration*
  - a. *From External Parties.* No Member shall solicit or accept from any person, organization, corporation, or other legal entity (or representatives thereof) seeking to do, or doing, business with, or otherwise gain benefit from, the College, any remuneration, gift, gratuity, services, loans, travel, entertainment or other consideration of more than nominal value in exchange for a promise, or reasonable inference, that the Member's influence with the College has been exchanged for such consideration. This prohibition applies without limitation to any Affiliates, vendors, contractors, sponsors, donors, and job or admissions applicants.
  - b. *From the College.* It shall not be considered a conflict of interest for a Member to accept from the College (1) gifts or other items of value in consideration of his/her service or retirement from College service; (2) customary *honoraria*; (3) reasonable reimbursement for travel, food, or lodging for expenses incurred in connection with College business pursuant to applicable College policy and procedures; or (4) complimentary tickets for a Member and his/her guest at College functions or events when the presence of the Member is deemed to be in the best interests of the College.
6. *Testimony.* A Member who testifies in person or through recorded or written communication before any public body or public official, whether judicial, legislative or administrative, shall make it initially and clearly known on the record when he or she is speaking on the matter as a College representative. Members shall obtain authorization to speak on behalf of the College by means of customary governance protocols.

## Procedures

Each Member shall file a Conflicts Disclosure Form at the time of initial appointment and annually thereafter for each subsequent year of service. The Member shall update the Form during the year as circumstances dictate.

In advance of any meeting at which a conflict may foreseeably arise, the Member must disclose any conflict or apparent conflict and all relevant material facts to the meeting chair. A Member shall, following such disclosure, recuse him/herself from participation in discussion of the matter as to which disclosure is made, unless the group considering the matter votes otherwise. The determination that a Member must recuse him/herself from the meeting does not prevent such Member from briefly stating his or her position on the subject matter of the conflict, nor from answering pertinent questions regarding that subject matter. If the group authorizes the Member's participation in such discussion, the Member shall nonetheless abstain from voting on any such item. If such authorization is denied, the decision of the group considering the matter shall be conclusive. The minutes of any meeting involving a conflict shall reflect any abstention from voting, its review of the material facts and its resulting decision.

## Acknowledgement and Certification

My signature below confirms that to my knowledge, except as set forth below, neither I, nor any Affiliate of mine, nor my spouse, nor any member of our respective families has or had any direct or indirect conflict of interest as defined in this Hampshire College Conflict of Interest Policy. I list below all of my Affiliates. I further confirm that, except as set forth below, neither I, nor my spouse, nor any member of our respective families, is being compensated by Hampshire College. Finally, my signature indicates that I have received, understand and agree to comply with the terms of this Policy.

I understand that this information is being relied upon by the College, and I agree to advise the College promptly of any changes in the information set forth herein.

My potential conflict(s) are checked below (note this list is not comprehensive). Specific information is provided in Comments.

- Commercial transaction
- Confidential, Proprietary or Privileged Information
- Business Opportunities
- Employment or Retention of Immediate Family Members
- Remuneration, Gifts and other Considerations
  - From External Parties
  - From the College
- Testimony
- Constituency
- Other \_\_\_\_\_

Affiliates:

Comments:

\_\_\_\_\_  
Required Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Please print name)