

CALVIN COLLEGE

Conflict Of Interest and Disclosure Policy for Employees

Background

- 1.1 The business and affairs of Calvin College are managed by its Board of Trustees (“Board”). The daily operations are delegated to administrators, faculty, and staff (“employees”).
- 1.2 Employees hold a position of trust, and as fiduciaries, have a general obligation to avoid conflict of interest situations.
- 1.3 Employees have the duty of operating the College's affairs in such a manner as to achieve the objectives of the College. Employees have a fiduciary duty to act honestly, in good faith, and in the best interest of the College, and to be loyal to the College.
- 1.4 Honesty is the first component of the fiduciary duty. This is an obligation placed on the employee to disclose the entire truth and to avoid fraudulent transactions in matters pertaining to his or her office.
- 1.5 Good faith is the second component of the fiduciary duty. Employees must pursue the best interest of the College, and good faith and reasonableness must be demonstrated in obtaining this end. This means that an employee may not pursue any improper purpose while acting on behalf of the College.
- 1.6 The duty of loyalty and avoidance of conflict of interest means that an employee must give loyalty to the College and must agree not to subordinate the interests of the College to his or her personal interests.
- 1.7 Even when conflicts do not exist, it is important to understand that the decisions of the College may affect the business or property interests of an employee. Social and political gain may also violate the fiduciary duty. Direct or indirect benefits to relatives, friends, and associates must be avoided.
- 1.8 Employees also have a duty of care, duty of diligence, duty of skill, and duty of prudence.
- 1.9 Employees who are Investigators and involved in funded Research under the College's separate Research Conflict of Interest Policy must also comply with that additional policy. (See Calvin College Research Conflict of Interest Policy.)

Purpose

- 2.1 This policy statement applies to all Calvin College employees who are budget officers and to all other employees who have a college-issued credit card, who have a college-issued personal purchase-order ID, or who regularly make purchases with college funds. The college expects that no employee would ever use his or her position with the college for personal gain. To avoid any misunderstanding, however, this policy statement is promulgated and adopted.
- 2.2 A conflict of interest exists when an employee has an outside interest that has the potential of being at variance with the best interests of the College. When an employee's personal interests, whether real or perceived, could supersede or conflict with his or her dedication to the best

interests of the College, a conflict of interest arises. The test of a conflict of interest is not just whether the employee is actually influenced by a personal interest, but whether circumstances lend themselves to such a possibility. Examples include:

- (a) Conflicting financial interests;
- (b) Use of confidential information for personal gain;
- (c) Unauthorized disclosure of confidential information; and
- (d) Use of institutional time and facilities for personal purpose, or other activities.

- 2.3 It is also recognized that the appearance of a conflict of interest, when in fact it may not exist, can be damaging to the institution.

Policy Statement

- 3.1 Each employee must avoid incurring any kind of financial or personal obligation that might affect his or her judgment in dealing for the College with outside organizations or individuals. Each person must examine his or her own activities and those of his or her immediate family to ensure that no condition exists that creates a potentially embarrassing or conflict of interest situation with respect to transactions with the College. Employees covered by the policy (per Section 2.1) shall sign and complete the attached Conflict of Interest Statement, upon adoption of this policy or appointment as a covered employee of the college, if later.

- 3.2 Unless the provisions in paragraphs 3.3 through 3.5 are followed, an employee shall not solicit or be a party, directly or indirectly, to any contract between the College and:

- (a) Himself or herself;
- (b) Any firm, meaning co-partnership or other unincorporated association, of which he or she is a partner, member, or employee;
- (c) Any organization of which he or she or member(s) of his or her immediate family is an officer, director, or employee;
- (d) Any private corporation in which he or she is a stockholder owning more than one percent (1%) of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total value in excess of \$25,000.00 if the stock is listed on a stock exchange or of which he or she is a director, officer, or employee; and
- (e) Any trust of which he or she is a beneficiary or trustee.

- 3.3 In the event a potential contract or existing contract that does or could present a conflict situation, as described in paragraph 3.2, is presented to the college, the employee shall:

- (a) Not participate in any way on behalf of the College in negotiation or amendment of the contract, or in the approval of the contract; and
- (b) Promptly disclose in writing any financial, personal, or pecuniary interest in the contract to the President of the College, to his or her divisional Vice President or to any other college officer that has the power to approve the contract.

- 3.4 A contract referenced in paragraph 3.2 must be approved by a vote of not less than two-thirds (2/3) of the President's Cabinet, or of the approving body, in open session without the vote of the employee making the disclosure.
- 3.5 The President's Cabinet or other official body must disclose the following summary information in its official minutes as to contracts referenced in paragraph 3.2:
- (a) The name of each party involved in the contract;
 - (b) The terms of the contract, including duration, financial consideration between parties, facilities or services of the entity included in the contract, and the nature and degree of assignment of employees of the College for fulfillment of the contract; and
 - (c) The nature of the employee's financial, personal, or pecuniary interest.
- 3.63 An employee shall not engage in a business transaction in which the employee may profit from his or her official position or authority with the exception of royalties, commission, and income which are received under the situations described in the *Handbook for Teaching Faculty* Section 6.10 -- Policy On Commissions, Royalties, And Patents.
- 3.7 An employee shall not engage in a business transaction in which the employee may benefit financially from confidential information that the member has obtained or may obtain by reason of such position or authority. An employee shall not participate on behalf of the College in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity (whether for profit or not-for-profit) in which the employee has a financial, personal, or pecuniary interest or is an officer, director, or employee.

Board of Trustees AF/IS Committee – reviewed with consent and referred to college governance for approval, May 18, 2006

Cabinet – Approved, July 19, 2006

Planning and Priorities Committee – Approved, October 19, 2006

Faculty Senate – Approved, November 6, 2006

Board of Trustees – Approved, May 18, 2007

Revised August 1, 2012 – Item 1.9 added

Cabinet – Approved, August 22, 2012

CONFLICT OF INTEREST STATEMENT

- ☐ I have read and understand this Conflict of Interest and Disclosure Policy. There are no present or potential future conflicts of interests other than those listed below. I have observed, and will continue to observe, the Conflict of Interest and Disclosure Policy carefully.

Date

Signature

Printed Name

- ☐ I am not a budget officer, do not have a college credit card or college-issued personal purchase order ID, and do not regularly make purchases with College funds.

Date

Signature

Printed Name

DISCLOSURE(S)

**(Indicate none if applicable; otherwise
please give a brief explanation of the conflict):**

Please sign and return this page to the Financial Services Office.