

Policy Number: 01.002
Policy Title: Conflict of Interest
Policy Type: Board Policy
Governing Body: Board of Trustees

Conflict of Interest



**ANTIOCH
COLLEGE**

SECTION 1. PURPOSE:

CONFLICT OF INTEREST POLICY Antioch College Board of Trustees

Antioch College Corporation (“College”) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of the College as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between the College and its Board of Trustees and the public, a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The Board has the responsibility of administering the affairs of the College honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the College. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their board positions with the College or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of Trustees with any of the following third parties:

1. Persons and firms supplying goods and services to the College.
2. Persons and firms from whom the College leases property and equipment.
3. Persons and firms with whom the College is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or

other property.

4. Competing or affinity organizations.
5. Agencies, organizations, and associations, which affect the operations of the College.
6. Family members, friends, and other employees.

SECTION 3. NATURE OF CONFLICTING INTEREST:

A conflict of interest may exist when a Board member is involved in any activity or has a personal or financial interest, which may interfere in the performance of his or her duties, or his or her objectivity in performing those duties.

SECTION 4. INTERPRETATION OF THIS STATEMENT OF POLICY:

Conflicts might arise in other areas or through other relations than those listed in this policy. It is assumed that the Trustees will recognize such areas and relation by analogy.

The fact that one of the interests described exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of the College.

However, it is the policy of the Board that the existence of any of the interests described shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board of Trustees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 5. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The Board or a duly constituted committee thereof, has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the President (or if she or he is the one with the conflict, then to the Board chair), who shall bring the matter to the attention of the Board or a duly constituted committee thereof. Disclosure involving Trustees should be made to the Board Chair, (or if she or he is the one with the conflict, then to the Board Vice-Chair) who shall bring these matters to the Board or a duly constituted committee thereof.

The Board or a duly constituted committee thereof, shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the College. The decision of the Board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of the College and the advancement of its purpose.

SECTION 6. ANNUAL STATEMENTS:

Each Trustee, principal officer and member of a committee with Board-delegated powers shall annually sign a conflict of interest disclosure and acknowledge the College is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 7. PERIODIC REVIEWS:

To ensure the College operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the College's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

SECTION 8. USE OF OUTSIDE EXPERTS:

When conducting the periodic reviews as provided for in Section 7, the College may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring periodic review are conducted.