

ARTICLE VI **CONFLICT OF INTEREST POLICY**

PART I **MEMBERS OF THE BOARD**

Section 1 All Board members shall disclose any possible conflict of interest at the earliest practicable time. Each Board member shall complete and file with the Secretary of the University, on or before September 1 of each year, information about possible beneficial or adverse interests affecting Loyola University Maryland, including interests of family members¹ and organizations in which the Board member (or member of his or her family) has significant management function² or a significant ownership interest.³ The information shall include any gifts of more than nominal value (\$100) received by the Board member from suppliers of goods or services, or from students, faculty, or others associated with or seeking association with the University. The information disclosed to the Secretary of the University shall be brought to the attention of a committee consisting of the Chair of the Board, the Vice Chair of the Board, and the President of the University, and shall be held in confidence by the committee except as it may be determined by the committee in the best interests of the University to disclose the information to the Board in executive session.

Section 2 No Board member shall vote on any matter under consideration at a Board meeting in which such member has a possible conflict of interest, nor shall such Board member be counted in determining the quorum for such a meeting. The member is under an affirmative duty to inform the Board of any reasons unknown to the Board or not fully appreciated by the Board as to why the matter may not be in the best interests of the University. The minutes of such meeting shall reflect that a disclosure was made, and that the member having a possible conflict of interest abstained from the voting, and that such member was not counted in determining the quorum for the meeting.

Section 3 A Board member shall be considered to have a possible conflict of interest if: (a) such Board member has an existing or potential financial or other interest which impairs or might appear to impair such member's independent, unbiased judgment in the discharge of his or her responsibilities to the University; (b) such Board member is aware that a member of his or her family or any organization in which such Board member (or member of his or her family) has a significant management function or ownership interest (as defined above), has such existing or potential financial or other interests; (c) such Board member (or member of his or her family) has a significant business relation with any person or firm engaging in, or seeking to engage in, business with the University in a matter brought to the attention of the Board; (d), such Board member (or member of his or her family) has a family relationship or a business relationship with any other officer, director, trustee or key employee; or (e) such Board member, a member of his or her family, or organization in which the Board member or family member has a significant ownership interest, management function, or other material interests, may receive a material, financial, or other benefit from knowledge or information confidential to the University.

Section 4 Any Board member who is uncertain whether he or she has a possible conflict of interest in any matter should bring the matter to the attention of the Chair, the Vice Chair, and the President of the University who then may request the Board to determine whether a possible conflict of interest exists, and the Board shall resolve the question by majority vote. When possible, the question of possible conflict shall be referred to the University counsel by the Chair before the meeting of the Board.

Section 5 All candidates for membership to the Board shall be advised of this policy prior to their election as members.

PART II **UNIVERSITY ADMINISTRATORS**

Section 1 The President, Vice Presidents and Deans, the heads of academic and administrative departments, and designated employees shall at all times act in ways consistent with their fiduciary responsibilities to the University and shall exercise particular care to avoid any conflict of interest situations so that no detriment to the University results from conflicts between their interests, or those of others of their family, and those of the University. Designated employees are those employees designated by the Vice President for Finance of the University who, by virtue of their position, may have knowledge of transactions involving the University's endowment funds.

Section 2 If a University administrator, as defined above, believes that he or she may have a conflict of interest, the administrator shall promptly and fully disclose the conflict to the President of the University and shall

refrain from participating in any way in the matter to which the conflict relates until the question has been resolved. The information disclosed to the President shall be brought to the attention of a committee consisting of the President and the Vice Presidents of the University. They shall take whatever action is appropriate; the committee shall file with the President a brief memorandum describing this action.

Section 3 A conflict of interest is considered to arise when the administrator or immediate family members (see fn.1, supra), or organizations in which the administrator or immediate family members have significant management function (see fn. 2, supra), or significant ownership interests (see fn. 3, supra), or other material association, (a) have an existing or potential financial or other interest which impairs or might appear to impair the individual administrator's independence of judgment in the discharge of responsibilities to the University, and (b) may receive a material, financial or other benefit from knowledge of information confidential to the University.

Section 4 No administrator purchasing goods or services for the University shall contract to purchase such goods or services from any enterprise in which he or she, or his spouse or her spouse, has a financial interest without first obtaining the expressed written approval of the committee described in II (2) above.

PART III ***ADMINISTRATION***

Section 1 The President shall consult with the University counsel regarding all conflict questions of which he is informed and shall report regularly to the Board of Trustees regarding any unresolved conflict questions. This policy statement is to be interpreted and applied in a manner that will best serve the interests of the University. In some cases, it may be determined that after full disclosure to those concerned, the University's interests are best served by participation by the individual despite an apparent conflict.

Section 2 The Secretary of the University shall maintain a list of all persons, including designated employees, to whom this policy statement applies. The Secretary shall distribute annually a copy of this policy statement to those individuals to whom it applies.