

METHODIST UNIVERSITY

Conflict of Interest - Policy and Disclosure

What is a conflict of interest?

A conflict of interest is a conflict between a person's self-interests and their professional duties. A conflict of interest exists when a University representative's direct or indirect personal interests are inconsistent or interfere in any way with the best interests of the University. A few examples of where a conflict of interest may occur include:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with the University
2. A director, officer, or trustee voting on a contract between the University and a business that is owned by the director, officer, or trustee
3. Receiving payment or compensation for services with respect to individual transactions involving the University
4. Using University time, personnel, equipment, supplies, or good will for other than University-approved activities, programs and purposes.
5. Receiving personal gifts or loans from third parties dealing with, or competing with, the University. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

The examples above are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that directors, officers, trustees and management employees will recognize such areas and relation by analogy.

Why is a conflict of interest policy necessary?

Methodist University is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Tax-exempt organizations are frequently subject to intense public scrutiny, especially where they appear to have inappropriately benefited their directors, officers, trustees, or key members of management. Serving private interest more than insubstantially is inconsistent with accomplishing tax-exempt purposes, and can cause a University to lose its tax-exempt status.

A conflict of interest policy is intended to help ensure that when actual or potential conflicts of interest arise, the University has a process in place under which the affected individual will advise the governing body about all the relevant facts concerning the situation. A conflict of interest policy is also intended to establish procedures under which individuals who have a conflict of interest will be excused from voting on such matters.

What is the University's policy/procedure with regard to conflicts of interest?

On an annual basis, the University will distribute conflict of interest forms to all directors, officers, trustees, and management employees, which requires the disclosure of any business or financial relationship they or members of their immediate families have or propose to have with the University, either directly or through another entity in which they have a significant interest. If a director, officer, trustee, or management employee is uncertain whether to disclose a particular business or financial relationship, the Vice President for Business Affairs should be consulted. A University committee of at least three will review the forms for possible conflicts of interest. Any findings will be submitted to the Audit Committee for review.

In general, it is the policy of the University that it will not engage in business or financial relationships with directors, officers, trustees, or members of management. Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The audit committee has determined that the transaction would be in the best interest of the organization, and approves the transaction prior to its execution.
2. The conflicting interest is fully disclosed; and
3. The person with the conflict of interest is excluded from the discussion and approval of such transaction.

METHODIST UNIVERSITY

Conflict of Interest – Disclosure Form

1. What is your position with Methodist University (i.e., trustee, vice president, controller)

2. Please list below any organizations as to which you serve as owner or partial owner, director, officer, trustee, employee or other agent.

Organization Name

Position

3. Do you, or does a member of your immediate family, have or propose to have a business or financial relationship with Methodist University, either directly or through another entity in which you or the family member has a significant interest? If yes, for each such relationship, please provide the following information (attach additional sheets, if needed):

Yes No

Name of the person involved (you, or family member and relationship) _____

Name of the entity _____

Entity's business or financial relationship to the University (i.e. supplier of goods or services) _____

Dollar value of the relationship (i.e. the cost to the University of the goods or services) _____

Date the relationship was established _____

The nature of your or the family member's interest in the entity (i.e. employment, board seat, ownership interest, etc).

4. Is a member of your immediate family employed by the University? (i.e. spouse, child, grandchild, parent, grandparent, sibling, uncle, aunt, nephew, niece, in-law, or any other person who resides in the same household as the trustee, officer or employee). If yes, please provide the name, relationship to you, and job title and department for each such person.

Yes No

5. Are you aware of any existing or potential conflict of interest relationships between any other University employees/trustees and entities with which the University does business?

Yes No

Name of the employee/trustee _____

Name of the entity _____

I certify that I have read and understand the University's conflict of interest policy and that the foregoing information is true and complete to the best of my knowledge. I agree that if there is a material change in any statement or information provided above, I will immediately notify the Vice President for Business Affairs and complete an amended disclosure form. If submitting this form electronically, I understand that typing my name in the signature field serves as my official signature.

Name (please print) _____

Signature _____

Date _____

Please return this completed form to:

Methodist University
Vice President for Business Affairs
5400 Ramsey Street
Fayetteville, NC 28311