



TABLE of CONTENTS

Section 1: Policy Statement and Purpose..... 2

Section 2: Definitions..... 2

Section 3: Responsibilities..... 2

Section 4: Procedure to Manage Conflicts..... 4

Section 5: Enforcement..... 4

Section 6: Changes to this Policy..... 4

Section 7: References..... 5

SECTION 1: POLICY STATEMENT AND PURPOSE

Trustees, officers, and employees of Drury University serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board of Trustees and employees of the University should be made solely on the basis of a desire to promote the best interests of the University and the public good. The University's integrity must be protected and advanced at all times.

This policy provides definitions and guidelines related to conflicts of interest involving the University, and applies to Trustees, officers, and all covered employees, as defined by the University's Bylaws or the definitions within this policy.

SECTION 2: DEFINITIONS

- A. **Conflict of Interest:** Any situation in which an individual's private interests conflict or are incompatible with his or her responsibilities to Drury University. A conflict of interest could involve a personal, family or business relationship between an individual and the institution which could cause Drury to be legally or otherwise vulnerable to criticism, embarrassment or litigation in the opinion of responsible persons.
- B. **Business relationship:** One in which a trustee, officer or a member of his/her family serves as an officer, director, employee, trustee, shareholder, or owner of an entity that does substantial business with Drury University.
- C. **Family member:** A spouse, parents, siblings, children or any other relative if the latter resides in the same household as the trustee, officer or covered employee.
- D. **Substantial benefit:** A situation in which a trustee, officer, covered employee or member of their family is the actual or beneficial owner of more than 5 percent of the voting stock or controlling interest of an entity that does substantial business with the University or who has other direct or indirect dealings with such an entity from which he/she or a member of their family benefits directly, indirectly or potentially from cash or property receipts which could total \$10,000 or more annually.
- E. **Trustee:** Any person serving as a member of the University's Board of Trustees, including Successor, Emeritus, and Life trustees.
- F. **Officer:** The Chair of the Board of Trustees, the Vice Chair of the Board of Trustees, the Secretary of the Board of Trustees, the Treasurer of the Board of Trustees, the President of the University, and one or more Executive Vice Presidents of the University.
- G. **Covered employee:** Non-officer employees with access to or influence upon purchasing, bidding, budget, fund solicitation, or other financial matters.

SECTION 3: RESPONSIBILITIES

- A. Each trustee, officer, and covered employee is expected to manage his or her personal and business affairs so as to avoid situations which might lead to conflicts of interest or the appearance of thereof.

- B. It is the responsibility of those covered by this policy to ensure that the University and/or Board of Trustees is made aware of situations which involve personal, family, or business relationships that could lead to a conflict of interest or substantial benefit.
- C. Officers and Trustees
1. All trustees and officers will be expected to:
 - a. Review this policy annually;
 - b. Complete form 400.002F1: Conflict of Interest Certification and Disclosure on which they:
 - 1) Certify that they have no conflict of interest to report OR
 - 2) Disclose any personal, family or business relationships, board relationships, or employment for purposes of determining possible current or future conflicts of interest involving the University;
 - 3) Acknowledge that they are in compliance with the purpose and spirit of this policy, AND
 - 4) Obtain the signature of his/her supervisor (for employees) or Chair or Secretary of the Board of Trustees.
 2. The Assistant Secretary of the University or the Executive Assistant to the President must collect form 400.002F1 from each trustee and officer during May of each year.
 - a. Completed forms must be kept in the Office of the President or the Assistant Secretary of the University for no less than three (3) years.
 - b. The Assistant Secretary of the University must make available for review all collected forms upon request from the University's President, Chief of Staff, General Counsel, Chief Financial Officer, Controller, Board officers, and/or external auditors.
 3. Trustees or officers who become aware of actual or potential conflicts of interest arising after their previous disclosure or certification of no conflict are required to update and re-file their forms promptly, and will be reminded by the Assistant Secretary of the University of their reporting obligations at each semi-annual meeting of the Board of Trustees.
 4. Trustees and officers who disclose a conflict of interest in a particular matter must absent themselves from discussions of, and abstain from voting on, said matter when under consideration by the Board of Trustees, its committees, or the University.
 5. Any Trustee or officer who is uncertain as to whether a conflict of interest may exist in any matter may request that the Board or Executive Committee resolve the question in his/her absence by majority vote.
- D. Covered Employees
1. Covered employees must disclose conflicts of interest as necessary in the performance of their duties, as required by various University policies.
 2. Covered employees must disclose conflicts of interest via form 400.002F1: Conflict of Interest Disclosure.
 3. Covered employees who disclose a conflict of interest in a particular matter must recuse themselves from any further dealings with the transaction with which the conflict of interest exists.
 4. Covered employees who are uncertain as to whether a conflict of interest may exist in any matter should request clarification from the Controller, Executive Vice President for Administration, Chief of Staff, General Counsel, or President.
 5. Conflict of interest forms will be held on file in Administrative Services for the life/term of the transaction to which they apply or no less than three (3) years, whichever is longer.

SECTION 4: PROCEDURE TO MANAGE CONFLICTS

A. Trustees and Officers

1. The President (with the aid of the Chief of Staff and General Counsel) will monitor proposed or ongoing University transactions for conflicts of interest and disclose them to the Chair of the Board of Trustees in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.
2. For each conflict of interest disclosed to the Chair of the Board of Trustees, the Chair will determine whether to:
 - a. Take no action;
 - b. Disclose to the Board of Trustees and other individuals covered by this policy;
 - c. Ask the person to recuse from participation in related discussions or decisions related to the applicable transaction or within the University; or
 - d. Ask the person to resign from his or her position in the University or, if the person refuses to resign, become subject to possible removal in accordance with the University's removal procedures.

B. Covered University Employees

1. The University's Chief of Staff, General Counsel, and the Office of Administrative Services will monitor proposed or ongoing transactions for conflicts of interest involving non-officer University employees and disclose conflicts as they are reported or discovered to applicable divisional vice presidents/executive directors, the President, and/or the Chair of the Board of Trustees, depending on the nature and severity of the conflict.
2. For each conflict of interest disclosed to or discovered by the University, the University administration (i.e., the President or appointed designee) will determine whether to:
 - a. Take no action;
 - b. Assure full disclosure to the appropriate University officers and other individuals covered by this policy;
 - c. Ask the person to recuse from participation in related discussions or decisions related to the applicable transaction or within the University; or
 - d. Ask the person to resign from his or her position in the University or, if the person refuses to resign, become subject to possible removal in accordance with the University's removal procedures.

SECTION 5: ENFORCEMENT

- A. Officers and Covered Employees: Violation of this policy may result in disciplinary action, up to and including termination of employment.
- B. Trustees: Violation of this policy may result in removal from the Board of Trustees.

SECTION 6: CHANGES TO THIS POLICY

- A. Due to its ties to the University Bylaws, changes to this policy require approval by the full Board of Trustees.

1. Changes to the policy must be submitted to the Finance, Assets and Resources Committee of the Board of Trustees for initial approval and recommendation to the full Board of Trustees.
2. Approved changes must then be incorporated into this policy and the updated policy made available to all University employees.

SECTION 7: REFERENCES

- A. Drury University Bylaws, Article XVII.