

Conflict of Interest Statements

It has been and shall continue to be the policy of Le Moyne College (the “College”) that all members of the Board of Trustees and the President, Provost, the Vice-Presidents, the Treasurer, the Deans and other designated members of the College community avoid any conflict, or appearance of conflict, between their personal or other interests and the interests of the College. Accordingly, the College hereby adopts this conflict of interest policy statement (this “Policy”). The following definitions apply to this Policy:

“Affiliate” means an entity controlled by, in control of, or under common control with the College.

“Board” means the College’s Board of Trustees.

“College Administrators” means the President, Provost, the Vice-Presidents, the Treasurer, the Deans, Key Employees and any other person designated by a Vice-President or the Treasurer who, by virtue of their position, may expend significant College funds or commit the College to significant contractual obligations.

“Compensation” means direct or indirect remuneration, as well as gifts or favors that are not insubstantial.

“Conflict of Interest” means any situation, circumstance or state of affairs in which an individual is in a position to approve or influence College policies or actions which: (1) involve personal interests or Financial Interests of the individual that may conflict with the interests of the College, or that may impair the individual’s independent unbiased judgment in the discharge of his or her responsibilities to the College; or (2) could ultimately harm or benefit financially: (a) the individual; (b) any Family Member of the individual; or (c) any entity in which any individual described in clauses (a) and (b) of this definition has a five percent or greater ownership or beneficial interest, with respect to which any such individual serves as a director or officer, or over whose activities or decisions any such individual has the ability to exercise control.

“Family Member” means an individual’s spouse or domestic partner, parents, parents-in-law, children (whether natural or adopted), grandchildren, brothers or sisters (whether whole or half-blood), and spouses or domestic partners of these individuals.

“Financial Interest” means any instance in which a person has, directly or indirectly, through business, investment or a Family Member: (1) an ownership or investment interest in a sole proprietorship, 35% or more of any corporation, or more than 5% in a partnership or professional corporation with which the College has a transaction or arrangement or with which the college is negotiating a transaction or arrangement; or (2) a Compensation arrangement from which a person receives a financial benefit or other form of remuneration or incentive based upon a transaction or arrangement involving the College.

“Key Employee/Person” means any person who is in a position to exercise substantial influence over the affairs of the College, including, but not limited to: (1) any person who donated an aggregate amount that is more than two percent (2%) of the total donations received by the College in that taxable year of the College, provided that such donated amount exceeds Five Thousand Dollars (\$5,000); (2) any employee whose compensation varies based upon the revenues derived from College activity; (3) any employee that has or shares authority to control or determine a substantial portion of the College’s capital expenditures, operating budget or compensation for employees; and (4) any employee that manages a discrete segment of the College that represents a substantial portion of the activities, assets, income or expenses of the College as compared to the College as a whole.

“Related Party” A Related Party includes: (1) any trustee, director, officer, College Administrator of the College or any Affiliate, or other Key Employee/Person; (2) a Family Member of anyone included in clause (1); or (3) any entity in which any individual described in clauses (1) and (2) of this definition has a thirty-five percent or greater ownership or beneficial interest in or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

“Related Party Transaction” A Related Party Transaction includes any transaction, agreement or any other arrangement in which a Related Party has a Financial Interest and the College or an Affiliate is a participant.

“Trustee” means a member of the Board of Trustees of the College.

Part I - Members of the Board of Trustees

1. Trustees and College Administrators shall at all times act consistently with their fiduciary responsibilities to the College and shall exercise particular care to avoid any Conflicts of Interest. All Trustees and College Administrators shall disclose any potential Conflict of Interest, at the earliest practicable time, to the President, the Treasurer or the Chair of The Board of Trustees. In addition, each Trustee and Key Employee must provide a written disclosure of all potential Conflicts of Interest to the Secretary of the College prior to election or appointment and on or before October 1 of each year. Such written disclosure shall include information about possible beneficial or adverse interests affecting the College including interests of Family Members and organizations in which the Trustee/Key Employee (or a Family Member) has a Financial Interest. The information shall include any gifts of more than nominal value received by the Trustee/Key Employee from suppliers of goods or services, or from students, faculty, or others associated with or seeking association with the College. The information disclosed to the Secretary shall be brought to the attention of a committee (the “COI Committee”), consisting of, at a minimum, the Board Chair, the Vice-Chair, Chair of the Finance and Audit Committee, and the President (the VP for Finance and Administration and Treasurer will serve as staff liaison for the COI Committee), and shall be held in confidence by the COI Committee except as it may be determined by the COI Committee to be in the best interest of the College to disclose the information to

the Board in executive session; provided that any information disclosed to the Secretary that is related to an interest in an existing or potential Related Party Transaction must be reviewed and the transaction or arrangement must be approved in accordance with Part II of this Policy.

2. No Trustee or College Administrator shall participate in the deliberations or vote on any matter, under consideration at a Board meeting, in which such Trustee or College Administrator has a potential Conflict of Interest, but such Trustee or College Administrator may be counted in determining the quorum for such meeting. Further, Trustees and College Administrators with a possible Conflict of Interest are prohibited from attempting to influence the deliberations or voting related to the matter involving such possible Conflict of Interest. Each Trustee and College Administrator is under an affirmative duty to inform the Treasurer, President and/or the COI Committee 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 interest of the College. The minutes of such meeting shall reflect that a disclosure was made and that the Trustee or College Administrator having a possible Conflict of Interest did not participate in any manner in the portion of the meeting involving such possible Conflict of Interest.

3. Any Trustee or College Administrator who is uncertain of whether he or she has a possible Conflict of Interest in any matter may request the Treasurer, President or COI Committee, as appropriate, to determine whether a possible Conflict of Interest exists. If necessary the questions may be brought to the COI Committee to resolve the question by majority vote; provided that the Trustee or College Administrator requesting such determination shall not participate in any deliberations or vote regarding the possible Conflict of Interest.

4. All candidates for memberships on the Board shall be advised of this policy prior to assuming their responsibilities as Trustees

Part II – Related Party Transactions

1. Any Trustee or College Administrator with any interest in a Related Party Transaction shall make a good faith disclosure of all material facts related to such interest to the Treasurer, Secretary, President or COI Committee of the Board.

2. The Board shall designate a committee of the Board composed of at least three Trustees (the “Committee”) to review all the material facts related to the proposed Related Party Transaction and request any additional information that it deems necessary to complete such review. All Trustees appointed to the Committee shall have no Financial Interest or other interest in the proposed Related Party Transaction under consideration.

3. The Committee shall review the proposed Related Party Transaction to determine whether the Related Party’s Financial Interest in the transaction or arrangement is substantial (which shall be determined in accordance with any guidance issued by the Office of the New York State Attorney General). If the Committee determines that the Related Party’s Financial Interest in the proposed Related Party Transaction is not substantial, then the Committee shall share its finding with the Board which may

approve the proposed Related Party Transaction if it determines that the transaction is fair, reasonable and in the best interests of the College. If the Committee determines that the Related Party's Financial Interest in the proposed Related Party Transaction is substantial, then the Committee shall undertake the review set forth in Section 4 of this Part II.

4. For any proposed Related Party Transaction in which a Related Party's Financial Interest is substantial, the Committee shall consider alternative transaction(s) to the proposed Related Party Transaction to the extent any alternative transaction(s) are available. Following its review of the proposed Related Party Transaction and any available alternative transaction(s), if a majority of the Committee determines that the proposed Related Party Transaction is fair, reasonable and in the best interests of the College, then it may recommend to the Board that the College may enter into the proposed Related Party Transaction. The Committee shall document in the minutes of the meeting at which such determination is made, the basis for its determination that the proposed Related Party Transaction is fair, reasonable and in the best interest of the College and any alternative transaction(s) that were considered when making this determination.

5. Upon receiving the recommendation of the Committee, the Board may authorize a proposed Related Party Transaction if the Board determines that it is fair, reasonable and in the best interests of the College. The College shall not enter into a Related Party Transaction unless it is approved in accordance with this Policy.

6. At the time of the deliberation and vote concerning the authorization of a proposed Related Party Transaction, the interested Trustee or College Administrator shall not be present at the meeting, and such Trustee or College Administrator shall not attempt to influence any deliberations or voting regarding the Related Party Transaction; provided that the Committee or the Board may request the interested Trustee or College Administrator to provide information regarding the Related Party Transaction prior to the commencement of deliberations or voting thereon.

7. Any Related Party Transaction that is approved without complying with the procedure set forth in this Policy shall be voidable and subject to Section 715(f) of the New York Not-for-Profit Corporation Law.

Part III - Administration

The Secretary shall consult with the President regarding all conflict questions of which he or she is informed and shall report regularly to the COI Committee regarding any unresolved conflict questions.

This Policy is to be interpreted and applied in a manner that will best serve the interests of the College. In some cases it may be determined that after full disclosure to those concerned, the College's interests are best served by participation by the individual despite an apparent conflict.

The Secretary shall also maintain a list of all persons, including designated individuals, to whom this Policy applies. The Secretary shall distribute annually a copy of this Policy to those individuals to whom it applies.