

**Mount Vernon Nazarene University  
General Conflict of Interest Policy**

**Article I**

**Purpose:** The purpose of the General Conflict of Interest Policy is to protect and promote the ethical practices of the University, its administration, faculty, and employees and to provide a forum to resolve matters that may involve an actual or perceived appearance of conflict. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**Article II  
Definitions**

**Family Member:** Shall be defined as the spouse, parent (natural, adoptive, or by in-law), sibling, or aunt or uncle.

**Interested Person:** Shall be defined as any member of the administration, faculty, or staff that has an interest in the outcome of a transaction or matter that could be perceived as creating a conflict of interest.

**Vendor:** Shall be defined as a corporation or individual that provides services or materials to MVNU, its faculty, staff, or students.

**Article III  
Specific Conflicts and General Guidance**

We must recognize that in a university setting the potential for a conflict of interest will always be present. To provide credibility to the institution, particularly an institution based on fundamental Christian beliefs, there must be a means to address actual or potential conflicts of interest and fairly resolve disputes.

Conflicts can exist in a variety of circumstances. It is impossible to provide a list of all possible conflicts. Mount Vernon Nazarene University has identified certain circumstances which it has determined to be particularly prone to question. Specific direction is given for these circumstances. From time to time, special circumstances may exist that would create cause to differ from the specific direction. These matters should be brought to the Conflicts Committee.

This specific list of defined conflicts is not inclusive and is not stated in any particular order of priority:

Approved by CAC 5/8/07; approved by President DJM 6/2/07.  
Revisions 6/21/07; approved by the President DJM 6/30/07.  
Title Change: Vice President for Finance 8/16/07.  
Conflicts Committee and Academic Advising clarified: 8/23/07.  
Professor's personal material/service approval process clarified: 8/27/07.

**Academic Advising:** We believe it is inappropriate for family members to serve as an academic advisor to a student that is a family member when there are alternate advisors in the student's major.

**Admissions:** We believe that it is improper for family members to vote on the admission of a family member.

**Contracts for University Purchases/Services:** University contracts with faculty, staff, or family members should always be disclosed and reviewed.

**Discipline:** We believe it is improper for a family member to be responsible for the discipline of another family member.

**Employment:** We believe that an individual should not be involved in the decision to hire a family member.

**Registration:** We believe it is improper for a faculty member to register a member of the family for courses, including on-line registration.

**Supervisory Relationship:** We believe an individual shall not be the direct supervisor of a family member.

**Faculty Rank/Employment/Evaluations/Recommendations:**

We believe it is improper for a faculty or staff member to be involved in the discussion and decision making of a family member's employment, rank, and evaluation of any nature or promotion.

**Professor's Personal Material/Service:**

We believe prior to a professor using a personal work or charging enrolled students for personal service, the Vice President for Academic Affairs should be notified and grant approval, following consultation/approval from both the department chair and the school dean.

**Students:**

We understand that from time to time, professors will have members of their family as students. This is permissible. Affected faculty members should notify their School Dean of the matter and seek guidance as appropriate.

We believe that it is improper for family members to vote on the review of a grade of a family member.

If a letter of recommendation is given on behalf of a family member, the relationship

should be noted.

**Transfer Credit:** We believe that it is improper for a staff or faculty member, including a department chair, to evaluate the transfer work (transfer credit) of a family member.

**Use of University Resources:** We believe faculty resources should not be used for personal use.

**Vendors:**

Gifts from vendors of minimal value (i.e., a limit of \$25 per item, not to exceed a total of \$100 per calendar year) are acceptable. Employees are responsible for informing their supervisor of the total amount of gifts received each calendar year. Gifts should not be used to determine what is in the best interest of the University or the students. Gifts or special favors should never be solicited from vendors.

**Article IV**  
**Procedures**

**Duty to Disclose:**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the potential conflict and be given the opportunity to disclose all material facts to the University concerning the proposed transaction or arrangement.

**Letter of Disclosure:**

Notice of a potential conflict may be made by a short letter of explanation to the Compliance Officer for the University.

**Individuals Believing a Conflict Exists:**

Any faculty or staff member believing a conflict exists should have an opportunity to inform the University about the conflict **without fear of retaliation.**

**The Conflicts Committee is herein created:**

The Conflicts Committee will consist of the Compliance Officer for the University (or his/her designee), the Vice President for Academic Affairs (or his/her designee), and the Vice President for Finance (or his/her designee). Designees shall have no interest in the matter at hand.

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### **Statement of Conflict:**

If an individual believes a conflict exists or desires determination of the matter, he/she should provide the Compliance Officer a statement of the matter to be determined. The Compliance Officer shall review the statement and determine whether or not a conflict exists under the guidelines and then shall give direct guidance. If further review is determined to be necessary by the Compliance Officer, the Conflicts Committee shall meet with all necessary parties.

### **Determining Whether a Conflict of Interest Exists:**

After being notified of a potential conflict and all material facts, and after any discussion with the interested person, the Conflicts Committee shall decide if a conflict of interest exists using the procedure outlined below.

### **Procedures for Addressing the Conflict of Interest:**

1. An interested person may make a presentation to the Conflicts Committee. After the presentation and a Q & A session involving all parties, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the Conflicts Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. If necessary, the Conflicts Committee may bring the matter to the President's Administrative Cabinet for consultation.
3. After exercising due diligence, the Conflicts Committee shall determine whether or not a conflict exists and give direction. If a transaction is involved, the Conflicts Committee will determine whether the University can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances without producing a conflict of interest, the Conflicts Committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Conflicts Committee shall make its decision as to whether to enter into the transaction or arrangement.

### **Appeal:**

The decision of the Conflicts Committee may be appealed to the President in writing.

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### **Violations of the Conflicts of Interest Policy:**

1. If the Conflicts Committee has reasonable cause to believe a faculty or staff member has failed to disclose actual or possible conflicts of interest, it shall inform the faculty or staff member the basis for such belief and afford the faculty or staff member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the faculty or staff member's response and after making further investigation as warranted by the circumstances, the Conflicts Committee determines the faculty or staff member has failed to disclose an actual or possible conflict of interest, it shall refer the matter to the appropriate authority to take appropriate disciplinary and corrective action.

### **Article V** **Records of Proceedings**

The minutes of the Conflicts Committee and all delegated committees shall contain:

1. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Conflicts Committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Article VI** **Use of Outside Experts**

When conducting investigations or hearings, the Conflicts Committee may consult with general counsel for the University. It is anticipated that, in general, the Conflicts Committee meetings will be informal in nature and not require the presence of legal counsel.