



Conflict of Interest for Non-Employees

1. PURPOSE

This policy is established to protect the interest of Northern Pennsylvania Regional College (“NPRC” or the “College”) when entering into an agreement that may benefit the private interest of an officer or Board of Trustee that may result in a possible excess benefit.

2. SCOPE AND APPLICABILITY

This policy is applicable to the Board of Trustees and non-employed members of committees of the College.

3. REFERENCES

- 3.1 INDX-1110-01: Master Policy Index
- 3.2 CLDR-1110: Policy Review Schedule
- 3.3 FORM- 1305-01: Conflict of Interest Non-Employee
- 3.4 NPRC-1320: Bylaws
- 3.5 State Ethics Commission-Ethics Act § 1103- Restricted Activities
- 3.6 Criminal Conflict of Interest Laws- 18 U.S.C. §§ 201-209, 216

4. DEFINITIONS

- 4.1 An interested person is any trustee, principal officer, or member of a committee with governing board delegated powers of Northern Pennsylvania Regional College who has a direct or indirect financial interest.
- 4.2 A person with a financial interest is any person who has, directly or indirectly, through business, investment, or family:
 - 4.2.1 An ownership or investment interest in any activity with which the College has a transaction or arrangement,
 - 4.2.2 A compensation arrangement with the College or with any entity or individual with which the College has a transaction or arrangement,
 - 4.2.3 A potential ownership or investment in, or compensation arrangement with, any entity or individual with which the College is negotiating a transaction or arrangement.

- 4.3 A duty to disclose is the obligation to provide relevant information in regard to activities defined in the Conflict-of-Interest Policy.
- 4.4 Records of proceedings refer to documentation of activities completed during scheduled meetings of the Board of Trustees or other committees.
- 4.5 Compensation is any form of payment provided to an individual as a result of a transaction or arrangement of benefit, including direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- 4.6 Insubstantial gifts or favors are defined as books, software, or other materials that enhance student success, education, or training. These items may be accepted if distributed through the relevant department. Payments for contractual services may be accepted if the engagement complies with this or related policies and any applicable statutes or regulations.
- 4.7 Periodic reviews are a tool by which the board evaluates conflicts of interest on an annual basis.

5. POLICY

- 5.1 This policy is intended to supplement, but not supplant the College's Bylaws and any applicable state and federal laws governing conflict of interest of nonprofit and charitable organizations. The more stringent of these documents will be followed.
- 5.2 A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board of the College decides that a conflict exists.
- 5.3 In connection with any actual or possible conflict of interest, an interested person has a duty to disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the trustees and members of committees with governing board delegated powers of the College considering the proposed transaction or arrangement.
 - 5.3.1 Interested persons may form relationships with individuals and/or entities, including acquiring a financial interest in an entity, provided such relationships satisfy this policy and any other applicable policies, as well as state and federal laws and regulations.
 - 5.3.2 Relationships with entities pursuing mutually beneficial goals and charitable missions, and other like relationships are permissible and encouraged, and may be desirable to meet the College's objectives provided that the disclosure requirements in this policy are satisfied.
- 5.4 Rules governing disclosure by an interested person are as follows:
 - 5.4.1 Disclosure is required to provide an opportunity for review to ensure that the performance of the interested person's duties is not compromised.

- 5.4.2 Upon disclosure of the financial interest and all material facts, and after any discussion with the interested person, the disclosing party shall leave the College's governing board or committee meeting while the determination of conflict of interest is discussed and voted upon. The remaining board or committee members shall decide by majority vote if a conflict of interest exists.
- 5.4.3 If the member has failed to disclose an actual or possible conflict of interest, the board or committee members shall decide upon and take any appropriate disciplinary and corrective action.
- 5.5 As documentation of the record of proceedings, the minutes of the College's governing board and all committees with board delegated powers shall contain:
 - 5.5.1 The names of the person(s) who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed,
 - 5.5.2 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 alternative to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
- 5.6 The following parameters for voting members of the governing board or committees considering conflict of interest and compensation matters are as follows:
 - 5.6.1 A voting member of the College's governing board who receives compensation, directly or indirectly, from the College for services is precluded from voting on matters pertaining to that member's compensation.
 - 5.6.2 A voting member of a committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the College for services, is precluded from voting on matters pertaining to that member's compensation.
 - 5.6.3 All voting members of the College's governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the College, either individually or collectively, are permitted to provide information to any committee regarding compensation.
- 5.7 Each of the College's trustees, principal officers, and members of committees with governing board delegated powers shall annually sign a statement which affirms that such persons:
 - 5.7.1 Have received a copy of the conflict-of-interest policy,
 - 5.7.2 Have read and understand the policy,

- 5.7.3 Have agreed to comply with the policy,
 - 5.7.4 Understand the College is a non-profit organization,
 - 5.7.5 Understand that the College maintains a federal tax exemption by engaging primarily in activities which accomplish one or more of its tax-exempt purposes.
- 5.8 To ensure the College operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
- 5.8.1 Whether compensation arrangements and benefits are reasonable for any entity receiving compensation and/or benefits from the College, based on competent survey information and/or the budgetary constraints of the College and the result of arm's length bargaining.
 - 5.8.2 Whether partnerships, joint ventures, and arrangements with management organizations conform to the College's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.
- 5.9 When conducting the periodic reviews as provided for in 5.8, the College may use outside advisors. If outside experts are used, their use shall not relieve the College's governing board of its responsibility for ensuring periodic reviews are conducted.
- 5.10 The governing board shall review disclosures and in response to said disclosure, the chairperson of the governing board or committee shall:
- 5.10.1 If appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - 5.10.2 After exercising due diligence, determine whether the College 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.
 - 5.10.3 If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the College's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
 - 5.10.4 If the Colleges governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

5.10.5 If, after hearing the disclosing party's response to 5.10.4 and after making further investigation as warranted by circumstances, the College's governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

6. RESPONSIBILITIES AND TIMELINES

6.1 An interested person is responsible for timely disclosure of all necessary information and documents related to a conflict of interest and may make a presentation at the College's governing board or committee meeting. After any such presentation, the interested person shall leave the meeting during the discussion or, and the vote on, the transaction or arrangement involving the possible conflict of interest and shall adhere to any ruling issued regarding possible conflict of interest.

6.2 Each trustee, principal officer, and member of a committee with governing board delegated powers is responsible for annually signing FORM 1305-01: Conflict of Interest Non-Employee.

6.3 The Board of Trustees is responsible for conducting reviews of disclosures as part of regular business and completing all Conflict-of-Interest documents annually.

6.4 The assistant to the Board of Trustees is responsible for obtaining signed statements and maintaining documents on file.

6.5 The Board of Trustees is responsible for the administration of this policy.

7. REVIEW STATEMENT

Review of this policy will occur in alignment with CLDR-1110: Policy Review Schedule.

8. SIGNATURES

Signature on file

Chairperson, Board of Trustees

Date

Signature on file

President

Date

Revision Notes: Policy in Revision