

# **Conflict of Interest Policy Statement for Board of Governors, Administrators and Employees of Taylor Business Institute**

## **Policy Statement**

The Board of Governors, faculty, administrators and staff at Taylor Business Institute recognize a shared responsibility to ensure that they conduct themselves in an unbiased manner and serve the goals of the College. It is therefore the responsibility of the College and its employees to protect against conflicts of interest which might compromise the integrity and objectivity of the Taylor Business Institute community.

Situations in which real or personal conflicts of interest may exist may not be completely avoidable without impairing the desirable consequences intended. The goal of this policy, therefore, is not to eliminate all conflicts. Rather the goal of the policy is to develop the means to manage material conflicts of interest and to ensure that the integrity of the College is not compromised or perceived to be compromised.

This statement of the College's Conflict of Interest policy has been prepared to outline TBI's approach to identifying and evaluating potential conflicts of interest and assisting its Board and employees in addressing conflict of interest issues.

### **A. APPLICATION OF POLICY**

This policy is applicable to:

- Board of Governors
- Administrators
- All Taylor Business Institute faculty members.
- All Taylor Business Institute staff members.

### **B. DEFINITIONS**

- **Conflict of Interest.**
  1. Taylor Business Institute's Board of Governors and many of its employees either have positions that allow them to influence Taylor Business Institute's decisions, or they have been entrusted with the authority to make decisions for the College. Conflict of interest exists if an employee's position or authority may be used to influence or make decisions that lead to any form of financial or personal gain for that Board member, Administrator or employee or for his or her family.
  2. A conflict of interest is only material if an ordinary person would take it into account in making a decision. Only material conflicts of interest are within the scope of this policy.
- **Family.** For purposes of this policy, family is defined as the employee's spouse and minor children.
- **Financial Interest.** Any relationship, including a consulting relationship, entered into by the employee or his or her family, other than employment by the College, which could result in financial gain for the employee or his or her family.

## C. PRINCIPLES

- **General Principles.** As a natural outgrowth of personal commitment to academic principles, TBI's Board, Administrator and employees must ensure the integrity of their college related pursuits by taking steps to avoid conflict of interest, or even the appearance of a conflicts of interest. Because the complexity and diversity of personal relationships is extensive, and the perception of conflict of interest may vary from one individual to another, the most effective means to address conflict of interest issues is to establish a system under which the Board or College's employees disclose and obtain evaluation of potential conflict. Thus, the Board and all TBI employees shall disclose any potential conflict of interest that is or may be material.
- **Identification of Conflict of Interest.** The following is a partial list of activities or actions that merit case-by-case examination to determine whether they create a material conflict of interest that should either be managed appropriately or eliminated.
  1. Consulting activities.
  2. The purchase of goods or services for the College from businesses in which the Board or the employee, or his or her family, has a financial interest, or as a result of such purchase, may directly benefit.
  3. Receipt of gifts, gratuities, loans, or special favors (including trips or speaker's fees) from sponsors or vendors.
  4. Holding of an ownership interest by the employee or the employee's family in any real or personal property leased or purchased by the College.
  5. Holding of an equity, or debt instrument interest by the Board or the employee or the employee's family in an entity providing to the College financial support, when such support will benefit the employee or persons supervised, directly or indirectly, by the employee.
  6. Receipt, directly to the Board or the employee from non-College sources, of cash, services, or equipment provided in support of the Board or employee's College activities.
  7. Use of information received as a Board member or employee of the College for personal purposes.

## D. IMPLEMENTATION

1. **Authority.** The Board of Governors has directed the President of Taylor Business Institute to develop, administer and implement the Conflict of Interest Policy. A copy of the policy is to be a part of each employee's hire package and a signed copy of the policy by every member of the Board of Governors, administrators and all faculty and staff will be placed on file in the office of the Executive Assistant to the President.
2. **Disclosure Review Process.** Board members and employees of Taylor Business Institute will be required, on an annual basis or whenever the occasion arises, whichever comes first, to report to the President and identify

any possible present conflict of interest situations that rises to the test of a “material conflict,” as described within the scope of this policy.

3. **Disclosures.** A potential material conflict must always be disclosed when a situation meets the test of a conflict of interest circumstance. When it does meet that test it will be classified into one of three possible levels of disclosure:
  - a. *Management Level One:* At a minimum but at least annually Board members, administrators, faculty and staff must issue a financial disclosure statement if only one or a combination of the following circumstances exist:
    - Serving in a compensated activity on an advisory board at another College or University (private, not-for-profit, for-profit or public)
    - Honorariums received for publications or lectures
    - Cash compensation received for consulting
  - b. *Management Level Two:*
    - Having an equity compensated position holding equity in or having an immediate family member who has an equity compensated position, holding a position or equity in a competing business, or College
    - Entering into an equity compensated consulting position for a competing business or College
  - c. *Management Level Three:* Other possible conflicts
    - Purchasing goods or services for the College from which an employee could benefit by directly receiving gifts, a gratuity, loans or special favors from vendors or sponsors of the College.
    - Use of information of the College for personal purposes or personal gain.
    - Sharing or giving the College’s assets to other Colleges, Universities or other possible competitive interests. Example of assets include equipment, intellectual property, (i.e. programs developed by the College, syllabi or materials developed by the College) books, supplies purchased by the College.
4. **Timing of Disclosures.** A conflict of interest statement will be required at the point of hire of each employee. Employees will be asked to complete a conflict of interest form at any point at which they enter into a relationship they presume to be a conflict of interest.

In addition, on the anniversary of each employee’s date of hire, that employee will be asked to complete a new conflict of interest form. Every January the Board of Governors will also be asked to sign a conflict of interest form. Board members must also identify any conflicts that may arise before this time.

## 5. **Identification and Management of Conflict of Interest.**

*Self-Identification:* When a risk situation for conflict of interest is self-identified by the Board member, administrator or employee, a Conflict of Interest Review Committee will be convened by the President to review the issue and classify the risk. If the risk is considered acceptable it will be documented, presented to the Board of Governors for their review and if approved filed with the Executive Assistant to the President who will keep it on file until notified by the President that it is no longer an area of potential risk.

In instances where the Board does not agree with the committee's conclusion more documentation or assurance may be required.

In instances where both the committee and the Board conclude the risk is too great for the College then the Board member, administrator or employee will be asked to cease the activity or action creating the conflict or leave the College.

*Identification by Other Means:* Where issues of conflict of interest are discovered by other means (i.e. an employee within the College alerts the management, an external agent alerts the management) the President will convene a Conflict of Interest Review Committee within 48 hours of notification to determine if the situation rises to the level of a risk situation and will then proceed with the measures as stated above in this section. If the situation is considered College-critical a special meeting of the Board of Governors will be called.

#### **6. Accessibility of Information**

To allow the implementation of this policy, the President or his/her designees, may seek from Taylor Business Institute's Board, administrators or its employees any information relevant to ensuring compliance with this policy. Because the integrity and, therefore the credibility of the institution is enhanced by disclosure, it is expected that all appropriate parties will provide any relevant information requested. The information received shall be handled confidentially unless public disclosure is part of the conflict of interest management plan, or is required by law.

#### **Noncompliance with Policy**

Violations of the requirements of this policy by any of the aforementioned parties shall, if not resolved, subject the employee to sanctions or other actions permitted by the College up to and including termination from the College.

#### **Prohibition of Illegal Activity and Corruption**

Activities which are in violation of federal, state, or local law, including the offering or acceptance of a bribe or kickback, are strictly prohibited.

**Interpretation**

Questions concerning the interpretation or applicability of this policy should be directed to the College President.

- 7. Appeals Process.** Any Board member, administrator or employee who disagrees with the Conflict of Interest Review Committee's decision may appeal to the Board of Governors. Their review will be final.