



LONG ISLAND UNIVERSITY

BOARD OF TRUSTEES CONFLICT OF INTEREST POLICY

PURPOSE

To ensure that all decisions and actions of the University Board of Trustees and the administration are to be made for the sole purpose of advancing the best interests of the institution and the public good.

STATEMENT OF POLICY

Trustees, Officers, employees, and other representatives of Long Island University serve the public trust and are required to fulfill their duties with care, loyalty and obedience to applicable laws, regulations and internal policies.

The integrity of Long Island University must be protected at all times, and the fiduciary relationship of Trustees, Officers, employees, and other representatives to Long Island University must be respected in both actuality and appearance. A conflict of interest exists when a University representative's direct or indirect personal interests are inconsistent with or interfere in any way with the best interests of the University. Through this policy, the Board of Trustees intends to implement the highest possible ethical standards and to establish that the University will not tolerate conflicts of interest. The Board, through its Executive Committee, will administer this policy strictly, with complete transparency, and in accordance with the following principles:

- In general, it is the policy of the University that it will not engage in business or financial relationships with Trustees or Officers.
- No business or financial relationship between the University and any trustee or officer, or a member of his or her immediate family, or any entity with which a trustee or officer or a member of his or her immediate family is affiliated, will be permitted unless it has been thoroughly reviewed and considered by the Executive Committee and has been found to be of clear benefit to the University *to the extent that the benefit to the University clearly outweighs any gain or benefit to the person or entity doing business with the University.*
- Any proposed business or financial relationship between the University and an overseer, or a member of his or her immediate family, or any entity with which the overseer or a member of his or her immediate family is affiliated, is subject to the prior review and approval of the President.
- Any proposed business or financial relationship between the University and a covered employee or other representative, or a member of his or her immediate family, or any entity with which the covered employee or other representative or a member of his or her immediate family is affiliated, is subject to the prior review and approval of the Executive Committee. The Executive Committee may create a Compliance Committee consisting of members of the Executive Committee and other Trustees or staff of the University as it chooses. The Compliance Committee shall report to and be subject to the oversight of the Executive Committee.

- Any offer of full-time employment to a member of the immediate family of a Trustee, Officer, or covered employee or other representative is subject to the prior review and approval of the President.

PROCEDURES

Effective implementation of this policy requires, first, the full disclosure of individual interests that might conflict with the best interests of the University. Second, the interested Trustee, Officer, or covered employee or other representative must refrain from participating in University decision making with respect to any transaction or relationship in which he or she is interested. Finally, an independent determination must be made that the transaction or relationship meets the applicable standard and should be entered into or continued.

Disclosure: All Trustees, University Officers, and all other employees or representative who do business on behalf of the University (“covered person(s)”) are required to disclose on the Conflict of Interest Disclosure Form any business or financial relationship they or members of their immediate families have or propose to have with the University, either directly or through another entity in which they have a significant interest. The disclosure form is to be filed annually; an amended form must be filed promptly in the event of a material change in circumstances. Such covered persons must provide advance written disclosure of any proposed business or financial relationship covered by this policy to the Chair of the Board with a copy to the University Counsel. The following guidelines are provided to help determine whether a relationship should be disclosed:

- A business or financial relationship includes the sale or acquisition of goods, property, or services; the commitment of resources to a common venture; or, in the case of a member of one’s immediate family, an employment relationship. It does not include attending Long Island University as a student.
- A member of one’s immediate family means (1) a spouse; (2) a child, grandchild, parent, grandparent, sibling, uncle, aunt, nephew, or niece, or the spouse of any such person; (3) a person having a step-relationship described in (2) above; (4) a parent-in-law or a brother or sister-in-law; or (5) any other person who resides in the same household as the Trustee, Officer, or employee.
- A significant interest in another entity includes service as a trustee, director, partner, or management-level employee; the actual or beneficial ownership of more than 5% of the entity; or a compensation arrangement that is dependent upon a business or financial relationship with the University. The foregoing guidelines are not intended to be exclusive; other relationships or interests that might conflict with the best interests of the University should also be disclosed. If a Trustee, Officer, or covered employee or other representative is uncertain whether to disclose a particular business or financial relationship, the Chair of the Board or the University Counsel should be consulted. Disclosure forms will be filed with the University Counsel.

Restraint on Participation: Trustees, Officers, and covered employees and other representatives who have disclosed a potential conflict of interest shall refrain from participating in the University's consideration of any proposed business or financial relationship in which he or she is interested, except to respond to questions or to provide further information. If a transaction or relationship requires a vote, the interested party should not be present at the time of the vote.

Approval of Business or Financial Relationship: An ad hoc committee will be appointed by the Chair to recommend to the Board whether a business or financial relationship involving a Trustee or Officer should be entered into or continued. In the case of any such relationship involving a Trustee, such a determination shall be set forth in a written report of the ad hoc committee and provided to the Board of Trustees. The Board will determine whether a business or financial relationship involving a covered employee or other representative should be entered into or continued.

POLICY TYPE: COMPLIANCE