

CONFLICT OF INTEREST POLICY FOR MERCER COUNTY COMMUNITY COLLEGE FOUNDATION

Policy Purpose

The purpose of this conflict of interest policy is to protect the interest of the Mercer Community College Foundation, Inc. (the Foundation) when Mercer County Community College (MCCC) is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation while recognizing that it would disadvantage the Foundation to deprive it of the involvement of interested colleagues. A conflict of interest means any financial or other interest which conflicts with the service of an individual as follows: 1) it could impair the individual's objectivity; or 2) it could create an unfair advantage for any person or organization.

The proper governance of the Foundation depends upon directors who give of their time for the benefit of the Foundation and Mercer County Community College. The giving of this service on the Foundation Board, because of the varied interests and backgrounds of the directors, may result in situations involving a dual interest that might be interpreted as a conflict of interest. This service on the Foundation Board should not be rendered impossible solely by reason of duality of interest or possible conflicts of interest. This service nevertheless carries with it a requirement of loyalty and fidelity to the Foundation, it being the responsibility of the directors to govern the Foundation's affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the Foundation.

Definitions

When used in this policy, the following words and terms will have the following meanings, unless the context clearly indicates otherwise.

1. **Interested Person.** Any director, principal officer or member of a committee with board delegated powers that have a financial interest or conflict of loyalty, each as defined below, is an interested person.
2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, or as a result of the transaction at issue, will receive compensation or other financial benefits with the Foundation, including but not limited to, a sale, exchange or leasing of property; the lending of money or other extension of credit; the furnishing of goods, services or facilities, including specifically the provision of services as a vendor; the payment of compensation (or payment or reimbursement of expenses); or the receipt of, or use of, the income or assets of the Foundation. In identifying and disclosing a Financial Interest, an Interested Person shall consider and disclose all personal Financial Interests, together with any Financial Interest involving:

His or her family members, including but not limited to, his spouse, ancestors, children, grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren; or any corporation, partnership or other legal entity in which the Interested Person (together with all family members described above or other Interested Persons):

- Holds a position of influence or control, such as but not limited to, a trustee, director, president, chief executive officer, chief operating officer, chief financial officer, or treasurer; or
 - Holds any ownership interest.
3. **Conflict of Loyalty.** It is the intent of this Policy that the definition of “Financial Interest” above shall control in determining whether a person has a conflict of interest or conflict of loyalty in the context of a commercial enterprise. In the context of a nonprofit organization or governmental entity, a person has a conflict of loyalty if the person has, directly or indirectly, through business or family, an interest or relationship with the nonprofit or governmental entity that prohibits or inhibits, or potentially prohibits or inhibits, the person from exercising independent judgment in the best interests of the Foundation, such as by serving as a director or employee of, or providing goods or services to or for, the nonprofit or governmental entity with which the Foundation has, or is negotiating, a transaction or arrangement.
 4. **Use of Information.** Interested Persons shall not use information received from participations in MCCC affairs, whether expressly denominated as confidential or not, for personal gain or to the detriment of MCCC.

Disclosure and Recusal Policy and Procedures

Whenever any Interested Party has a conflict of interest, or a perceived conflict of interest, or a “pecuniary benefit transactions” involving the Foundation, it must be disclosed.

1. The transaction is for goods or services purchased or benefits provided in the ordinary course of business of the Foundation, for the actual or reasonable value of the goods or services or for a discounted value, and the transaction is fair to the Foundation;
2. A full and fair disclosure of the material facts of transaction is made to the Foundation Board;
3. The Interested Person with respect to the related party is excluded from the discussion and approval of such transaction, but may provide information if requested to do so;
4. The Board has determined, by the affirmative vote of two-thirds (2/3) majority of those present with a proper quorum, that the transaction is in the best interest of the Foundation.
5. If the subject transaction, or aggregate of transactions with the same Interested Person within one fiscal year, exceeds the amount of \$6,000.
6. Disclosure within the Foundation should be made in writing initially to the Foundation Board Chairperson who shall determine whether an apparent conflict of interests exists under this Policy; if so determined, such apparent conflict of interest shall thereafter be brought to the attention of the Foundation Board of Directors and the Vice President for College Advancement at the College.

The Foundation Board shall determine whether the contemplated transaction may be authorized as just, fair, and reasonable to the Foundation. The Interested Party shall not be present during Foundation Board or committee discussion or decision on the matter. The decision of the Foundation on these matters will rest in their sole discretion, and their concern must be the welfare of the Foundation, Mercer County Community College and the advancement of its

Mission. A record of the action on the matter shall be recorded in the minutes of the Foundation Board of Directors. The Foundation shall also maintain an aggregate listing disclosing each and every pecuniary benefit transaction and the names of the Interested Person and the amount of the benefit for review by the Foundation and contributors to the Foundation. Such list shall also be reported on an annual basis to the extent required by law.

Annual Reports

To address questions of conflict of interest, for the protection of both the individual and the organization, each director, principal officer and member of a committee with board delegated powers (Interested Person) shall submit annually a conflict of interest statement and consider such statement a matter of public record that will be available for review upon request by the public. The form of such annual statement will attest to that Interested Person:

- has received a copy of the conflict of interest policy;
- has read and understands the policy;
- has agreed to comply with the policy; and
- understands that the Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

To ensure that the Foundation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews could be conducted. The periodic reviews shall, at a minimum, assess whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.

Willful violations of this policy will constitute cause for removal or the imposition of other sanctions determined by the Foundation Board of Directors to be appropriate.

Approved:

Mercer County Community College Foundation, Inc.

Board of Directors

May 9, 2007

Revised:

March 28, 2013

Approved:

Board of Trustees

January 17, 2008

Revised:

November 14, 2013