



## POLICY

Title:	Conflict of Interest Policy
Effective Date:	January 25, 2015
Approved By:	Board of Trustees
Responsible Party:	Board of Trustees
History:	Adopted 1/1/1994; amended 1/1/2007

### I. PURPOSE

The purpose of this Conflict of Interest Policy ("policy") is to protect the best interests of Salus University ("University"). This policy shall apply to all transactions and arrangements between the University or its Affiliates (as defined herein) and any "covered person" or "interested person" as set forth herein. Affiliates of the University shall mean any controlled entity and other affiliate of the University, including without limitation, all clinical entities and Pennsylvania College of Optometry Foundation. All references to the Board of Trustees, executives, officers, and administrators shall be deemed to include the persons holding like positions in any Affiliate. Each reference to the term University shall likely be deemed to include each Affiliate. This Policy is intended to supplement any applicable State Laws governing Conflict of Interest applicable to non-profit and charitable corporations.

### II. DEFINITIONS

#### *Covered and Interested Persons*

- All members of the Board of Trustees
- The President/Chief Executive Officer, and all other executives, officers, and administrators
- Any other person who has substantial influence over the affairs of the organization (regardless of title), including faculty, fellows, research associates, and non-faculty physicians.

#### *Interested persons:*

- The following family members ("Family Members") of covered persons: spouse or domestic partner, siblings and their spouses, lineal descendants and their spouses, and lineal ancestors.
- Entities in which a covered person or a Family Member is an officer, director or employee or otherwise owns, directly or indirectly, 10% or more of the equity or voting interest.

This policy is intended to serve as guidance for all persons engaged by the institution in positions of significant responsibility, but it is not possible to establish a general policy that will resolve every question about a potential Conflict of Interest.

### ***Covered Relationship***

This policy is concerned with situations where an interested person has any of the following:

- an actual or potential compensation arrangement, financial transaction or other arrangement with the University, or
- an actual or potential compensation arrangement, financial transaction or other arrangement with a vendor or any other entity or individual with which the University has an actual or potential financial transaction or arrangement, or
- an interest (financial or otherwise) that is adverse to, or otherwise in conflict with, the University.

A covered relationship is not necessarily a conflict of interest. Under IV, Section 2, a covered person who has a covered relationship, or is deemed to have a covered relationship because of a related interested person may have a conflict of interest if the appropriate board or committee decides that a conflict of interest exists.

***Outside Professional Activities:*** An outside professional activity is any paid or volunteer activity undertaken by a covered person outside the scope of his or her regular University duties. Outside professional activities may include consulting, participation in civic or charitable organizations, working as a technical or professional advisor or practitioner, or holding a part-time job with another employer, whether working in one's University occupation or another.

## **III. POLICY**

In support of Salus University's educational, research, and service mission, the University's Conflict of Interest Policy provides guidelines and mechanisms for identifying and addressing conflicts of interest by its trustees, faculty, staff, and administration. It is expected that University employees and its Board will not use their positions and relationship with the University or their knowledge gained from their University association for personal benefit and that they will avoid conflicts of interest, as well as perceptions of conflicts of interest. An integral part of this policy is the disclosure by University employees and members of the Board of Trustees of their commitments, financial interests, and outside activities that might represent a conflict. The University will respect the confidentiality of private financial and other private information supplied by its employees and trustees, and shall not release this information publicly unless it is legally required to do so, the resolution or elimination of the conflict of interest requires public disclosure of the information, or the faculty member consents to its public disclosure.

## **IV. PROCEDURE**

### **1. Duty to Disclose**

Annual: Under this policy each covered person shall execute an annual disclosure statement disclosing the facts related to any covered or interested person.

Ongoing: Any covered person shall disclose any time there are changes in circumstances that arise that either 1) create a new potential covered relationship or 2) change or eliminate a covered relationship previously disclosed.

All disclosure statements are official records and will be maintained according to an appropriate retention schedule.

A covered person shall disclose the existence and nature of any covered relationship and all material facts prior to the consideration of a proposed transaction or arrangement by the Board of Trustees.

## **2. Initial Review of Conflict of Interest Disclosure Statements**

All Conflict of Interest Disclosure Statements (“disclosure statements”) other than for members of the Board of Trustees will be submitted to, tracked and maintained by Human Resources. Upon receipt of completed disclosure statements, the Director of Human Resources will review the disclosure statement and note whether the covered person has answered “yes” to any of the questions. The Director of Human Resources will review the detail of the potential conflict and discuss with the covered person if further information is needed. The Director of Human Resources will determine whether the noted information is either 1) clearly not a conflict of interest or 2) should be elevated for further review. If no conflict of interest exists, the Director of Human Resources will countersign and file the Conflict of Interest Disclosure statements. Completed Disclosure Forms (for everyone other than Board of Trustee members) will be kept in the Human Resources Office.

All Conflict of Interest Disclosure Statements for members of the Board of Trustees will be submitted to, tracked and maintained by the President’s Office. Upon receipt of completed disclosure statements for members of the Board of Trustees, the President will review the detail of the possible conflict and discuss with the covered Board Member if further information is needed. The President will determine whether the noted information is either 1) clearly not a conflict of interest or 2) should be elevated for further review. If no conflict of interest exists, the President will countersign and file the Conflict of Interest Disclosure statements.

If a potential conflict of interest is found to exist, the Director of Human Resources or the President will transmit the Completed Disclosure Forms to the body or office designated below, whereupon the following procedures are undertaken:

## **3. Review Role:**

### **Potential Conflicts for Members of the Board of Trustees:**

The Executive Committee of the Board of Trustees will review all Conflict of Interest Disclosure Statements of Board Members where the President concludes that, based on policy, there is a potential conflict of interest. The Executive Committee shall make a recommendation to the full Board of Trustees (other than the interested Trustee), which shall make a final decision on whether a conflict of interest exists.

### **Potential Conflicts for the University President:**

The Executive Committee of the Board will review the Conflict of Interest Disclosure Statement of the University President where the Director of Human Resources concludes that, based on policy, there is a possible conflict of interest. The Executive Committee thereof shall make a recommendation to the full Board of Trustees, which shall make a final decision on whether a conflict of interest exists.

### **Potential Conflicts for Members of President’s Council:**

The University President will review all Conflict of Interest Disclosure Statements of members of President’s Council where the Director of Human Resources concludes that, based on policy, there is a potential conflict of interest. The President shall make a final decision on whether a conflict of interest exists.

### **Potential Conflicts for Faculty, Teaching Consultants, Advisory Board Members, University Staff:**

President’s Council will review the Conflict of Interest Disclosure Statements of teaching consultants, advisory board members, and University staff where the Director of Human Resources concludes that, based on policy, there is a potential conflict of interest. President’s Council will make a recommendation to the University

President whether a conflict of interest exists. The President shall make a final decision on whether a conflict of interest exists.

For potential conflicts of interest involving faculty members, President's Council will review the Conflict of Interest Disclosure Statements where the Director of Human Resources concludes that, based on policy, there is a potential conflict of interest. President's Council will make a final decision on whether a conflict of interest exists, subject to appeal by the faculty member to the President pursuant to the Faculty Grievance Procedures approved by the Board of Trustees. The University President will not participate in the discussions and decisions of President's Council with respect to potential conflicts of interest by faculty members.

#### **Recusal of Interested Persons in Deliberations and Voting**

No covered person who has a potential conflict of interest shall participate in the deliberations, recommendation or vote regarding the potential conflict of interest. Review of the Conflict of Interest Disclosure Statement of the Director of Human Resources shall be performed by the President.

#### **4. Procedures for Addressing the Potential Conflict of Interest:**

When a potential Conflict of Interest has been identified:

- a. A covered person may be requested to make a presentation to the designated body or officer, as specified in #3 above. The covered person shall not be present during any discussion of, and the vote on, any recommendation or decision whether a conflict of interest exists with respect to a financial transaction or other arrangement. The deliberating body or officer also may seek to obtain relevant information from other University employees or, with the assistance of counsel, from parties outside the University.
- b. In the event that a Conflict of Interest has been determined to exist, (i) for members of the Board of Trustees or the University President, the Chair of the Board of Trustees shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed or existing financial transaction or arrangement; (ii) for members of President's Council, the University President will investigate alternatives to the proposed or existing financial transaction and arrangement; and (iii) for all other University employees, consultants, and advisory board members, President's Council will investigate alternatives to the proposed or existing financial transaction or arrangement.

After exercising due diligence, the responsible body or individual shall determine whether the University can obtain a similar or more advantageous financial transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

If an equally or more advantageous financial transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the responsible body or individual, will determine whether the financial transaction or arrangement is in the University's best interest and for its own benefit and whether the financial transaction is fair and reasonable to the University and shall make its decision as to whether to enter into the financial transaction or arrangement in conformity with such determination, or if the transaction already has been consummated, whether to seek to cancel or terminate such transaction or arrangement.

#### **5. Violations of the Conflict of Interest Policy**

- a. If the University has reasonable cause to believe that a covered person (other than a member of the Board of Trustees or the President) has failed to disclose one or more covered relationships, the Director of Human Resources shall inform the covered person of the basis for such belief and afford the covered person an opportunity to explain the alleged failure to disclose. In situations involving a member of the Board of Trustees or the President, the Chair or Vice-Chair of the Board, as appropriate, shall inform the covered person of the basis for such belief and afford the covered person an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the response of the covered person and making such further investigation as may be warranted in the circumstances, the University determines that the covered person has in fact knowingly failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.
- c. Violation of this Conflict of Interest Policy is a serious matter and may result in the removal of a member of the Board of Trustees or University Officer or the termination of any contractual relationship the University may have with the covered person or other party.

## **6. Records of Proceedings**

The minutes of Board of Trustees, President's Council, and University President meetings or other deliberations shall contain:

- a. The names of person(s) who disclosed or otherwise were found to have covered relationships in connection with an actual or potential conflict of interest, the nature of the covered relationship, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the financial transaction or arrangement, the content of the discussion, including any alternative to the proposed financial transaction or arrangement, and a record of any votes taken in connection therewith.

## **7. Compensation**

- a. A voting member of the Board of Trustees who receives compensation or has a related covered person that receives compensation from the University for services is precluded from voting on matters pertaining to that member's or a related covered person's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation or has a related covered person that receives compensation from the University for service is precluded from voting on matters pertaining to that member's or a related interested person's compensation.
- c. No voting member of the Board of Trustees or any committee whose jurisdiction includes compensation matters who receives compensation or has a related interested person that receives compensation from the University, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- d. Covered persons who receive compensation from the University as employees or independent contractors are precluded from membership on any committee whose jurisdiction includes compensation matters. No covered person, either individually or collectively, is prohibited by this policy from providing information to any committee regarding compensation.

## **8. Annual Statements**

Each covered person shall annually sign a statement which affirms such person:

- a. Has received a copy of this conflicts of interest policy.
- b. Has read and understands this policy.
- c. Has agreed to comply with this policy, and
- d. Understands the University is an educational institution and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

See Attachment A for a copy of the Conflict of Interest Disclosure Form.

### **9. Periodic Reviews**

To ensure the University operates in a manner consistent with educational purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews of this Conflict of Interest Policy shall be conducted.

### **10. Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the University may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**ATTACHMENT A: Conflict of Interest Disclosure Statement Form**

Please indicate in which capacity or capacities you are completing this disclosure (check all that apply):

<input type="checkbox"/> Trustee	<input type="checkbox"/> Faculty	<input type="checkbox"/> Resident
<input type="checkbox"/> President	<input type="checkbox"/> Staff	
<input type="checkbox"/> President's Council (PC) member	<input type="checkbox"/> Administrator other than PC	
<input type="checkbox"/> Other: _____	Specify: _____	
<input type="checkbox"/> Full time	<input type="checkbox"/> Part time	

**Instructions for disclosure:** Each question requires a "yes" or "no" answer. If you answer "yes" for any question, please provide an explanation in the space provided, based on the supplemental instructions for each question. Once you answer all the questions, please sign and date the form and turn in to the Director of Human Resources or the appropriate designated party.

1. During the previous calendar year, were you or any member of your immediate family a director, officer, partner, employee, or independent contractor of, an agent of, or a consultant to any entity that does business, or is seeking to do business, with Salus University?

Yes: \_\_\_\_\_

No: \_\_\_\_\_

If yes, identify the name of the business, describe the business, the nature of your relationship to it and/or that of your immediate family, and whether or not you were or will be compensated.

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2. During the previous calendar year, did you or any member of your immediate family have direct financial interests (such as ownership or equity interests), or direct financial interests with any entity that does business, or is seeking to do business, with Salus University?

Yes: \_\_\_\_\_

No: \_\_\_\_\_

If yes, identify the name of the business, describe the business, the nature of your relationship to it and/or that of your immediate family.

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3. During the previous calendar year, did you or anyone from your immediate family receive any gift (other than promotional items or an occasional business meal) or receive unusual or extraordinary hospitality from a supplier or vendor with an existing contract with Salus University or which is seeking to contract with Salus University?

Yes: \_\_\_\_\_

No: \_\_\_\_\_

If yes, please explain. If an event, what was the approximate value of the event tickets, and did the donor of the tickets attend the event with you?

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4. During the previous calendar year, did you (either personally or in your role with Salus University) or anyone from your immediate family give any gift (other than promotional items) or provide unusual or extraordinary hospitality to an existing or potential supplier or vendor of Salus University?

Yes: \_\_\_\_\_

No: \_\_\_\_\_

If yes, please describe here the nature of any gifts and the parties receiving them.

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5. During the previous calendar year, were there any other activities not already reported under the previous questions that you think might be (or might be perceived as) a conflict of interest with respect to your work at Salus University?

Yes: \_\_\_\_\_

No: \_\_\_\_\_

If yes, please describe here the nature of activities.

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Each covered person is required to annually complete and submit this statement affirming the following:

1. I am a covered person as defined in the Conflict of Interest Policy of the Salus University.
2. I have received a copy of this policy.
3. I have read and understand this policy.
4. I agree to comply with the Conflict of Interest Policy.
5. I have disclosed on the lines provided above (attaching additional pages if necessary) the existence and nature of each covered relationship I have personally or I am deemed to have because of related interested persons.
6. I understand that the University is an educational institution and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I hereby affirm that foregoing information is true and accurate to the best of my knowledge.

\_\_\_\_\_  
NAME

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

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**TO BE COMPLETED BY HUMAN RESOURCES:**

Please check one of the responses below:

\_\_\_\_\_ This covered person answered “No” to all questions.

\_\_\_\_\_ This covered person answered “yes” to at least one question.

Please provide any further information below regarding this potential conflict.

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\_\_\_\_\_ I have determined, to the best of my knowledge, that this disclosure does not constitute a conflict of interest, based on policy guidelines.

\_\_\_\_\_ I am referring this potential conflict to the Board of Trustees, the President or President’s Council for further review.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**TO BE COMPLETED BY ADMINISTRATION:**

This potential conflict was reviewed by the Board of Trustees on \_\_\_\_\_. Refer to minutes of the Board of Trustees for discussion and resolution.