**ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE**

# **Policy on Conflicts of Interest**

Board of Directors, Standing and Special Committees members and others with significant responsibilities for the Alumnae Association of Mount Holyoke College (Association) have a fiduciary duty of loyalty to the Association. At all times they shall act in a manner consistent with this fiduciary obligation and shall exercise particular care that no detriment to the interests of the Association (or appearance of such detriment) may result from a conflict between those interests and any personal interests which the individual Board, Standing and Special Committees members or other key individual may have. This duty manifests itself in the requirements to avoid conflicts of interest wherever possible and to deal openly and fairly with the Association with respect to matters which are conflicts of interest. Each individual is also expected to avoid actions or situations that create the appearance of a conflict of interest.

This policy applies to all members of the Board, Standing and Special Committees or Subcommittees; to all others with significant responsibilities of the Association as defined in the by-laws and to all “key individuals” as defined in Exhibit I of this policy. The “family” of a Director or key individual includes her or his spouse, parents, siblings, children, grandparents and grandchildren and any others living in the same household.

A conflict of interest can arise whenever a Director or other key individual or a member of her or his family: (1) has an existing or potential interest which impairs or might appear to impair her or his independent judgment in the discharge of responsibilities to the Association or (2) may receive a material benefit from knowledge of information which is confidential to the Association, or (3) may receive a personal gain or advantage by taking an action on behalf of the Association. Any contemplated contract, transaction or compensation arrangement between the Association and an individual or entity with whom a Director, key individual or family member has an official relationship may give rise to a conflict of interest. In this context, “official relationship” means serving as an officer, director, employee, partner, proprietor, or directly or indirectly owning or controlling an entity that does business with the Association. A Director or key individual “owns” an entity if, individually or collectively with her or his family, the Director or key individual directly or indirectly holds more than 35% of the voting membership rights or voting stock in an entity. A Director or key individual “controls” an entity if, individually or collectively with her or his family, the Director or key individual comprises over 35% of the directors, trustees or other members of the governing body of an entity. Additionally, a conflict may arise if any Director, officer or other individual covered under this policy has a family or business relationship with any other individual covered under the policy.

It is impossible to enumerate all situations that might be considered conflicts, but interests and relationships that give rise to potential conflicts include the following:

1. Official relationship with banks with which the Association regularly does business.
2. Official relationship with investment advisors, managers or other investment professionals with which the Association does business.
3. Official relationship with suppliers of other goods or services to the Association.
4. Official relationship with insurance agents or carriers doing business with the Association.
5. Business relationships among covered individuals.
6. Family relationships with employees of the Association or among covered individuals.
7. Consideration of compensation arrangements for key individuals.

**Conflicts of Interest with respect to Particular Transactions**

If a Director or other key individual believes that she or he may have a conflict of interest with respect to any *particular* contract, transaction, or compensation arrangement, she or he shall promptly and fully disclose in good faith the potential conflict to the President and Executive Committee, through the Clerk of the Board.

1. If the President and Executive Committee determine that there is no conflict of interest with respect to a particular contract, transaction or compensation arrangement involving a Director or other key individual, they need not notify the Board, but the Clerk of the Board shall keep a record of the decision which shall be available to Board members upon request.
2. If the Executive Committee determines that there is in fact a conflict of interest concerning a particular contract, transaction or compensation arrangement with respect to a Director, Standing and Special Committees or Subcommittees or other person with significant responsibilities the following procedure shall be followed:
   1. The conflict shall be reported to the full Board and the affected individual shall agree to answer any questions about the matter that other Board members may have.
   2. The Board or Standing and Special Committees or Subcommittees must obtain and review, prior to taking any vote, appropriate data as to the comparability of the proposed contract, transaction or compensation arrangement to other, substantially similar contracts, transactions or compensation arrangements.
   3. If the particular transaction requires a vote of the Board, or of one of its Standing and Special Committees or Subcommittees, the affected individual shall not be counted for purposes of a quorum nor shall she or he participate in the discussion or vote on the matter.
   4. Such contract, transaction or compensation arrangement must be approved by a two-thirds vote of all members of such Board, Standing and Special Committees or Subcommittees entitled to vote on such contract, transaction or compensation arrangement.
   5. The minutes shall reflect:

I. The fact that the individual did not vote on the issue.

II. The terms of the contract, transaction or compensation that was approved and the date it was approved.

III. The members of the Board, Standing and Special Committees or Subcommittees who were present during the discussion of the contract, transaction or compensation arrangement that was approved and those who voted on it.

IV. The comparability data obtained and relied upon by the Board, Standing and Special Committees or Subcommittees and a description of how the data was obtained.

V. Any actions taken by the Director or key individual who has the conflict of interest with respect to consideration of the contract, transaction or compensation arrangement.

1. In any case in which the potential conflict with respect to a *particular* transaction involves the President, the affected party shall notify the Clerk of the Board and the conflict shall then be reported to the Executive Committee. The Executive Committee excluding the President shall discuss the matter. The President shall agree to answer any questions about the matter that the Executive Committee members may have. If the particular transaction requires a vote of the Board, Standing and Special Committees or Subcommittees, the President shall not be counted for purposes of a quorum nor shall she or he participate in the discussion or vote on the matter. The Board, Standing and Special Committees or Subcommittees shall follow the procedure outlined in Section B above.

**II. Annual Disclosure of Potential Conflicts of Interest**

Each member of the Board and each other key individuals shall complete and file a Conflict of Interest Disclosure Form, in the form attached hereto, with the Clerk of the Board annually. The Finance Committee shall annually review all information disclosed and advise the President and Executive Committee as to potential conflicts. The Finance Committee may, at its discretion, delegate this annual review to the Treasurer. The completed Disclosure Forms are available to all Board members upon request. Each individual shall agree to answer any questions about potential conflicts that Board members may have.

**III. Confidentiality Policy**

All information concerning actual or potential conflicts of interest on the part of all members of the Board or others with key responsibilities to the Association shall be held in confidence unless the best interests of the Association dictate otherwise. Any disclosure beyond the members of the Board and the President shall take place only upon majority vote of the Board.

**IV. Other**

At the annual meeting of the Board of Directors of the Alumnae Association, the President and/or the Chief Financial Officer will report that each covered individual has signed the annual acknowledgement and report on any exceptions.

Exhibit I

**ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE**

**CONFLICT OF INTEREST POLICY**

**LIST OF KEY INDIVIDUALS**

Persons covered by this policy are the Organization’s officers, directors, chief employed executive and chief employed finance executive, and such other persons in an advisory, consultant, vendor or other capacity to the Organization as the Board of Directors may from time to time designate.

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