

**LINFIELD UNIVERSITY**  
**CONFLICT OF INTEREST POLICY**

For Members of the Board of Trustees,  
The President, Administrators,  
Faculty and Staff.  
(Adopted February 12, 2022)

*Section 1: Purpose:*

The purpose of this Conflict of Interest Policy is to protect Linfield University's (the "University") interest when it is contemplating entering into a transaction or arrangement that might benefit or result in a possible excess benefit transaction in the private interest of a member of the Board of Trustees (the "Board"), the executive staff, an administrator, faculty member, or other staff member. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Covered Individuals have a duty to avoid potential or actual conflicts of interest. To avoid the appearance of impropriety, it is important for Covered Individuals to be open and honest with the University's Board and administrative staff at all times. It is particularly important for Covered Individuals to disclose the following facts:

- Whether they have a potential or actual conflict of interest (financial or personal) with respect to any transaction, business decision, or other matter in which the University is involved;
- Whether they have a financial, business, investment, or personal interest in an entity with which the University is or will be doing business;
- Whether individuals related to them have a financial, business, investment, or personal interest in an entity or individual with which the University is or will be doing business;
- Whether they serve as a director, member or employee of either a competitor or the University or a corporation with which the University is or will be doing business; or
- If they have a compensation arrangement with the University or with any entity or individual with which the University has a transaction or arrangement.

The administrative staff and Board should proceed with caution when any of the above facts are present because there may be a conflict of interest, although the above list serves as an illustration and is not intended to recite all types of conflicts that require compliance with this policy. A Covered Individual who has an interest with respect to a particular transaction should disclose it to the Board (or its delegated committee) and appropriate officers of the University and abstain from participating in the negotiations and decisions surrounding that transaction. To avoid the appearance of impropriety, the Covered Individual who has the interest should not be present in the room during any discussions that relate to the transaction.

*Section 2: Definitions:*

A. Covered Individual.

Each member of the University's Board of Trustees, members of any standing or ad hoc committees of the Board, executives of the University (including, but not limited to the President, any Vice-President, Provost, CMO, and CFO), each member of the Faculty that has signature authority for the expenditure of University funds, and other administrative staff of the University and is deemed to be a "Covered Individual" and subject to the terms, procedures and requirements of this Conflict of Interest Policy.

B. Interested/Covered Individual.

Any Individual who has a direct, indirect, or apparent interest is deemed to be a Covered Individual for the purposes of this Conflict of Interest Policy. And interest may be a financial interest or a personal interest. A person has a personal interest if the person has, directly or indirectly, through business, investment, relative, family or personal affiliation of any kind, non-financial connections or interests in any entity with which or individual with whom the University has or, to the person's knowledge, is contemplating entering a transaction or arrangement of any nature. A financial interest is if a Covered Individual has: (a) an ownership or investment interest in any entity with which the University has a transaction or arrangement; (b) a compensation arrangement with the organization or with any entity or individual with which the University has a transaction or arrangement; or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors decides that a conflict of interest exists.

The University may require receipts of federal grants to comply with this Conflict of Interest Policy as necessary or comply with any other University Policy, if applicable.

*Section 3: Procedures:*

A. Duty to Disclose.

In connection with any actual or potential conflict of interest, an Covered Individual must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Board, ad hoc committee or any standing committee considering a proposed transaction or arrangement that the Covered Individual's actual or potential conflict of interest may impact. A Covered Individual may disclose the existence of an interest to the University's administrative staff; such staff shall be required to report any actual or potential conflicts to the Board or the appropriate committee.

B. Determining Whether a Conflict of Interest Exists.

After disclosure of an interest and all material facts, and after any discussion with the Covered Individual, the Covered Individual shall not attend or leave the Board or committee meeting while the determination of the existence of a conflict of interest is discussed and a decision is reached. The chairperson of the Board or the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. The Covered Individual shall not cast a vote towards this decision and shall not count towards the fulfillment of a quorum in relation to this decision. The remaining disinterested Board or committee members (i.e. those who do not have an interest) shall decide if a conflict of interests exists through a majority vote. If no conflict of interest is found, the Covered Individual may return to the meeting and the meeting shall continue as normal.

If a conflict of interest is found to exist, the Board or committee shall proceed as follows:

- i. The Board or committee shall determine whether the University can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- ii. If a more advantageous transaction or arrangement is not reasonable obtainable under circumstances not producing a conflict of interest, the Board or committee shall determine by a decision of the disinterested Board or committee members whether the transaction or arrangement is in the University's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board or committee shall make a decision whether or not to enter into the transaction or arrangement.

C. Ex Officio Members.

If an *ex officio* member of any board or committee becomes aware at any time that their personal interests either may be affected, or may appear to be affected, in any way by a transaction or arrangement, that *ex officio* member shall verbally disclose the conflict to the chair of the board or committee. The chair shall determine, based on the best interests of the University, the extent to which the *ex officio* member may participate in subsequent discussions on the matter, including whether the *ex officio* member may vote upon any determination involving the transaction or arrangement. Official meeting minutes shall reflect the disclosure and whether the interested *ex officio* member discussed or voted on the matter.

D. Violations of the Conflicts Policy.

- i. If the Board or committee has reasonable cause to believe a Covered Individual has failed to disclose actual or possible conflicts of interest, it shall inform the

covered individual of the basis for such belief and afford the Covered Individual an opportunity to explain the alleged failure to disclose.

- ii. If, after hearing the Covered Individual's response and after making further investigation as warranted by the circumstances, the Board or committee determines the Covered Individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

*Section 4. Records of Proceedings:*

The minutes of the Board and all committees shall contain:

- A. A statement that a Disclosure was made regarding an actual or possible conflict of interest, and statement that the Covered Individual neither counted toward the fulfillment of a quorum nor participated in any vote, discussion, or debate regarding the Board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the Covered Individual who disclosed or otherwise was found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- C. The names of the persons who were present for discussions and decisions relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any decision taken in connection with the proceedings.

*Section 5. Compensation:*

A Covered Individual who receives compensation directly or indirectly, from the University for services is precluded from participating in discussion and decisions about matters pertaining to that Covered Individual's compensation or compensation for a person or entity which the Covered Individual has an actual or potential conflict of interest. No Covered Individual whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the University, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

*Section 6. Annual Statements:*

In conjunction with preparations for the annual financial audit, each Covered Individual shall annually sign a statement (a copy of which is attached hereto as Exhibit A) which affirms such Covered Individual:

- A. Has received a copy of this Conflict of Interest Policy;
- B. Has read and understands this Conflict of Interest Policy;
- C. Has agreed to comply with this Conflict of Interest Policy; and

- D. Understands the University is a charitable organization and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempted purposes.

*Section 7. Periodic Reviews:*

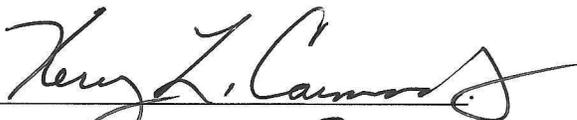
To ensure the University operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the University's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

*Section 8. Use of Outside Experts:*

When conducting the periodic reviews, the University may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Approved by the Board of Trustees on February 12, 2022.

Signature and Title:   
CHAIR OF THE BOARD

**EXHIBIT A to LINFIELD UNIVERSITY CONFLICT OF INTEREST POLICY**

Conflict of Interest Certification and Disclosure Form

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

Position: \_\_\_\_\_

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

**Certification**

By signing this form below, I certify that:

1. I have received a copy of the University’s Conflict of Interest Policy;
2. I have read and understand the Conflict of Interest Policy;
3. I agree to comply with the Conflict of Interest Policy; and
4. I understand that the University is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its exempt purposes and not engage in activities and transactions that provide impermissible benefits to individuals or entities.

**Conflict of Interest Disclosure**

Please certify below that you either have no actual or possible conflict of interest to report, or describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances you believe could contribute to an actual or possible conflict of interest between the University and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report.

\_\_\_\_\_ I have the following actual or possible conflict(s) of interest to report and shall attach a supplemental statement addressing the below questions and providing any other information I have deemed relevant:

1. Please specify below any actual transactions you are aware of between the University and any entity or person with which you have a business, investment, or family relationship.
2. For the purposes of determining possible future conflicts of interest, please also specify other nonprofit or for-profit boards on which you and/or your spouse sit, any for-profit businesses for which you or an immediate family member are an officer or director or majority shareholder, and the name of your employer and any business you or a family member own.

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

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

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