

CONFLICT OF INTEREST AND NEPOTISM

The Conflict of Interest and Nepotism policies protect the organizational interests when contemplating entering into a transaction or arrangement that might benefit the private interest of a director or employee of the organization or might result in a possible excess benefit transaction.

Checklist of Considerations: Conflict of Interest Policy

Did you...	Yes?
1. Specify the applicable parties and interested parties.	<input type="checkbox"/>
2. Define a direct and indirect conflict or interest, specifically with regard to compensation or financial benefit.	<input type="checkbox"/>
3. Summarize the duty to disclose.	<input type="checkbox"/>
4. Specify the timeline and frequency for one-time, annual, or periodic screening.	<input type="checkbox"/>
5. Specify the procedures for making a determination on a possible conflict.	<input type="checkbox"/>
6. Specify the procedures for making a determination. When a conflict of interest is identified, outcomes should include, but are not limited to: <ul style="list-style-type: none"> • Recusal from decision-making on affected transactions, arrangements, or decisions • Suspension of the transaction or arrangement • Removal as a director 	<input type="checkbox"/>
7. Include the steps directors will take when an allegation of a violation has been made and/or found.	<input type="checkbox"/>

Checklist of Considerations: Nepotism Policy

Did you...	Yes?
1. Define the scope of nepotism.	<input type="checkbox"/>
2. Define a family member.	<input type="checkbox"/>
3. Specify the terms of selection and employment that will be put in place to prevent direct or indirect supervision or influence between identified parties.	<input type="checkbox"/>
4. Define exceptions to the policy and outline a process for the board to review and approve these situations.	<input type="checkbox"/>
5. Address existing conflicts, including plans for transition or change where applicable.	<input type="checkbox"/>
6. Include a notice of compliance with equal opportunity and discrimination laws.	<input type="checkbox"/>
7. Include the requirement to notify the Institute of identified instances or violations.	<input type="checkbox"/>

Keep in Mind

1. Your policy should supplement, not replace, any applicable state and federal laws.
2. Policies should support and guide the school's decision-making process for procurement, hiring, and establishing channels of accountability.
3. The scope of family often spans parents, spouses, siblings, grandparents, nieces, nephews, aunts, uncles, cousins, all step relatives, adoption, family by marriage relationship (in-laws), domestic partners, and cohabitation.



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