



Pennsylvania Institute of Technology

Conflict of Interest & Confidentiality Policy

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Supersedes: October 11, 2011

Applicable Department(s)

Primary/Owner: EX

Secondary: ALL

Conflict of Interest

Introduction

The Annual Statement of Conflict of Interest Form is executed annually by each member of the Board of Trustees and by each member of the College Executive Leadership Team (ELT) Members, Staff and Faculty.

Policy

AMENDED AND RESTATED BYLAWS OF THE PENNSYLVANIA INSTITUTE OF TECHNOLOGY
ARTICLE VI: CONFLICT OF INTEREST AND COMPENSATION

(Excerpt from pages 7 to 9)

6.1 Purpose. The purpose of this conflict of interest policy is to protect this tax-exempt organization's (the Corporation, referred to in this Article as the Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of the Organization or might result in a possible excess benefit transaction. 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.

6.2 Interested Person. Any trustee, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

6.3 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

6.3.1 An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.

6.3.2 A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or

6.3.3 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 not insubstantial. A financial interest is not necessarily a conflict of

interest. Under Section 6.2 above, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

6.4 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

6.5 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

6.6 Procedures for Addressing the Conflict of Interest.

6.6.1 An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of Interest.

6.6.2 The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

6.6.3 After exercising due diligence, the governing board or committee shall determine whether the Organization 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.

6.6.4 If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

6.7 Violations of the Conflicts of Interest Policy

6.7.1 If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure-to-disclose.

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

6.8 Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

6.8.1 *The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards' or committee's decision as to whether a conflict of interest in fact existed.*

6.8.2 *The names of the persons who were present for discussions and votes 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 votes taken in connection with the proceedings.*

6.9 Compensation.

6.9.1 *A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.*

6.9.2 *A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.*

6.9.3 *No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.*

6.9.4 *The members of the Board of Trustees shall serve without compensation for their services as Trustees, but may be reimbursed for all actual authorized expenses incurred on behalf of the Corporation.*

6.10 Annual Statements. *Each trustee, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:*

6.10.1 *Has received a copy of the conflicts of interest policy,*

6.10.2 *Has read and understands the policy,*

6.10.3 *Has agreed to comply with the policy, and*

6.10.4 *Understands the Organization is charitable 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.*

Procedure

Faculty and Staff upon hire will sign and acknowledge the receipt and agreeance to this policy.

At the beginning of each academic year, and annual acknowledgement will be disseminated by the college to be signed and returned to the Payroll Administrator.

Confidentiality of College Information

Introduction

Pennsylvania Institute of Technology is committed to maintaining the integrity and security of confidential records and information created, received, maintained and/or stored by the college in the course of carrying out its educational mission. This policy addresses the obligations to secure confidential information from unauthorized or unlawful disclosure. It is intended to reflect federal and state law governing privacy and confidentiality of records, as well as college policies and procedures addressing specific categories of records and information, and any applicable international privacy regulations. This policy applies to faculty, staff, and administration as well as contractors, vendors, consultants and affiliates when performing services for the college. It encompasses all proprietary and non-public information acquired during the course of employment or service to the college, whether paid or unpaid, and regardless whether the information has been documented or inserted into a paper or electronic records.

Policy

College data and information may only be used for College purposes. In accordance with federal and state law and college policy, confidential records should never be disclosed without appropriate authorization, and should be maintained and secured according to the following principles:

- A. Documents and files (both electronic and hard copy) containing confidential information are to be accessed, used, and disclosed only with explicit authorization and only on a need-to-know basis for the purpose of a job function, contract, volunteer or paid service to the college.
- B. Confidential information regarding any individual or entity acquired during the course of employment at, or providing services to, the college must never be divulged to anyone outside of the college without authorization or to anyone within the college except on a need to know basis.
- C. Upon conclusion of employment or service, or upon request of a supervisor, all originals and copies of confidential records, whether electronic or hardcopy, must be returned to the college and all further access to and use of such information relinquished.
- D. If in doubt about whether a record is confidential, the user should treat as confidential any college record which is not already within the public domain, until directed otherwise.

Procedure

Faculty and Staff upon hire will sign and acknowledge the receipt and agreeance to this policy.

At the beginning of each academic year, and annual acknowledgement will be disseminated by the college to be signed and returned to the Payroll Administrator.