

## 3.06 Conflict of Interest

McPherson College employees are to avoid situations in which their judgment in making decisions or taking action on behalf of the College may be adversely affected by personal consideration or situations where their performance, loyalty, or stewardship to the College is compromised.

Conflicts of interest may arise, for example, through the ownership, direct or indirect, of a financial or other interest in an organization supplying goods or services to the College; the performance of services to other organizations which do business with the College; or the receipt or acceptance of benefits from any organization doing, or seeking to do business with the College. All employees are prohibited from using their employment position to gain favorable or preferential access to vendors, investment advisors, or organizations for their own benefit.

All employees must immediately report to the Vice President for Finance any substantive relationships

(a) they or members of their family maintain with organizations that do business with the College, or  
(b) that potentially could be construed to affect their independent, unbiased judgment in light of their decision making authority and responsibility. If an employee is uncertain whether to acknowledge a particular relationship, the Vice President for Finance should be consulted. All conflict of interest disclosures will be reviewed by the Vice President for Finance.

The following definitions are provided to help employees decide whether a relationship should be disclosed:

**Business Relationship:** One in which an employee or his or her family as defined below serves as an officer, director, employee, partner, trustee, or controlling stockholder of an

organization that does substantial business with McPherson College.

Family Member: A spouse, parent, sibling, child, or any other relative if the latter resides in the same household as the employee.

Substantial Benefit: When an employee, or a member of the family (a) is the actual or beneficial owner of more than 5% of the voting stock or controlling interest of an organization that does substantial business with the College or (b) has other direct or indirect dealing with such an organization from which the employee or member of the family benefits directly, indirectly, or potentially from cash or property.