

**CAROLINAS COLLEGE OF HEALTH SCIENCES  
POLICY and PROCEDURE**

Board Policy

**SUBJECT:** CONFLICT OF INTEREST AND FREEDOM FROM UNDUE EXTERNAL INFLUENCE

**REVIEWER:** Board Policy Committee

**Other Documents to Consult:**  
Board By-Laws

**I. POLICY**

Directors of the corporation must be able to make decisions which are in the best interest of the corporation without the potential for those decisions being affected by conflict of interest or undue influence exerted by external entities. Undue influence is defined as external pressure which jeopardizes the ability to make decisions which are in the best interest of the college.

- A. A conflict of interest may exist if the individual has any type of business or economic relationship with an individual or organization that may interfere with such person's ability to make independent judgments or decisions on behalf of the college or its students. Annual disclosure of all relationships that may pose a potential conflict of interest ensures freedom from decisions influenced by such conflicts.

No director of the corporation shall acquire any interest, direct or indirect, in the corporation or in any property included or proposed to be included in the corporation, nor shall he or she have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with the corporation except 1) an employment contract, 2) a contract, undertaking, or other transaction with a bank or banking institution, savings and loan association, or public utility in the regular course of its business, or 3) any other contract, undertaking, or other transaction where a director's direct or indirect interest arises as a result of an ownership interest of 10% or less in, or employment by, a corporation or other business entity; provided that any such employment contract or other contract, undertaking, or transaction is authorized by the board of directors by specific resolution on which no director having an interest, direct or indirect, shall vote.

- B. Directors of the corporation must be able to make decisions which are in the best interest of the college without undue influence from political, religious, or other external bodies. Further, directors are expected to protect and preserve the college's independence from outside pressures.
- C. Directors will be informed of this policy when they are given copies of all board policies upon initial invitation to membership, and annually when asked to complete the attestation and disclosure form.

**II. PROCEDURE**

- A. Upon consideration for a position as director of the corporation, the prospective director will complete the [Conflict of Interest and Freedom from Undue External Influence Disclosure Form](#).
- B. Members of the board, at least annually, will complete the [Conflict of Interest and Freedom from Undue External Influence Disclosure Form](#).

- C. If any director of the corporation owns or controls any interest, direct or indirect, in any property planned to be included in the corporation, he or she shall immediately disclose the same in writing to the board and such disclosure shall be entered in the minutes of the board. Whenever a director makes such a disclosure, or information concerning a potential conflict of interest comes to the attention of the board, the director involved may be required to provide further information and to withdraw from the meeting for a discussion and recommendation or decision regarding the conflict. Failure to comply with this policy may result in removal from office.
- D. If any director of the corporation is unable to verify his/her freedom from undue influence, or is unable to support the board's and the college's right to operate without unreasonable intrusion by governmental and nongovernmental agencies and entities, the director involved may be required to provide further information. Unresolved matters of undue influence may result in removal from office.
- E. Directors or potential directors who, by vote of the board less the involved party, are deemed to have potential conflicts of interest which interfere with the normal and routine conduct of business, or are deemed not to be free from undue external influence, or unable to support the board's and the college's right to operate free from undue external influence, will be removed from or denied membership on the board.

**III. APPROVAL**

Name: \_\_\_\_\_ Title: Chair, Board of Directors Date: \_\_\_\_\_