**STERLING COLLEGE**

***Conflict of Interest Policy***

**Revised January 2012**

This statement sets forth the policy and procedures of Sterling College (the "College") regarding conflicts of interest as they apply to all employees of the College. The policy and procedures set forth here are subject to modification from time to time as the College determines appropriate.

1. **Defining Conflict of Interest**

Generally, a conflict of interest occurs when an employee either (1) has an existing or potential financial or other interest which impairs, or might appear to impair, the employee's independent judgment in the discharge of responsibilities to the School or (2) may receive a material financial or other benefit from knowledge or information confidential to the School.

An employee shall be considered as having a personal interest, not only if he/she has a direct personal interest, but also if there will be benefit to a member of his/her family (by which is meant the employee's spouse or domestic partner and dependent children) or to any business enterprise in which the employee has a substantial interest or to any business enterprise in which any member of his/her family has a substantial interest or to any business enterprise in which he/she or a family member serves as a director, trustee or officer.

A conflict of interest arises from the situation, rather than from the character, or even the actions, of the individual. Thus, when an employee has a financial interest at variance with his/her duty to the College, a conflict of interest will exist, even if the employee acts without regard to his/her financial interest.

Employees should conduct their affairs so as to avoid or minimize conflicts of interest and must respond appropriately when a conflict of interest arise. Any employee who has a question as to whether a situation will give rise to a conflict of interest is urged to discuss the matter promptly with the President/CEO and/or the Vice President/CFO.

1. **Required Disclosures**

All conflicts of interest must be disclosed to the President/CEO and/or to the Vice President/CFO. Moreover, common sense must prevail in the interpretation of the disclosure requirements of this policy. That is, if a reasonable person could be expected to question a relationship or financial interest, it should be disclosed and approval sought.

Without limiting the generality of the foregoing, the following applies to conflicts of interest related to any project sponsored by a governmental agency or other third party.

* 1. **Initial Disclosures in Connection with Sponsored Projects**

Prior to the College entering into any sponsored project proposal in which any employee who is an active participant on the project, or any member of his/her family, has a "significant financial interest," as defined below, the employee must disclose that interest to the President/CEO and/or the Vice President/CFO.

A "significant financial interest" means anything of monetary value, including but not limited to salary or other payment for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interest); and intellectual property rights (e.g., patents, copyrights and royalties from such rights).

Examples of a "significant financial interest" by an employee or a family member in a project include, but are not limited to, an employment or consulting arrangement with, and/or other financial interest in, the proposed sponsor of the project or any proposed subcontractor, vendor, collaborator or any entity affiliated with any of the foregoing.

The employee must disclose both existing and pending relationships with any of the foregoing entities, the relationship of the proposed College project or other activity to that entity and the means by which the employee will ensure separation of his or her role in the project from the role or interest of the employee (or his/her family member) in the entity.

* 1. **Subsequent Disclosures in Connection with Sponsored Projects**

During the period of any sponsored project, each employee working in that project must update any initial disclosure of a "significant financial interest" annually or at such more frequent intervals as the College may require.

In addition, each employee who is involved in the project must immediately disclose any subsequent "significant financial interest" at the time it arises.

1. **Review of Disclosures**

The President/CEO and the Vice President/CFO are designated by the College to review all disclosures under this policy. In this capacity, they will determine whether a conflict of interest exists and determine what conditions or restrictions, if any, should be imposed to reduce or eliminate such conflict of interest.

In appropriate circumstances, a conflict, or potential conflict, of interest may be referred to an outside entity for management.

**Enforcement of this Policy**

A violation of any provision of this policy may subject an employee to disciplinary action, up to and including termination of employment.