



Volume I: Volume Title: Governance
Chapter 2: Chapter Title: Governance
Section 2: Policy Name: Related Party Transactions
Approval Authority: Board of Trustees
Interpreting Authority: President and Chair, Audit Committee
Effective: February 4, 2016
Last Revised: February 4, 2016
Next Review Date: February 2021

Related Party Transactions

Policy Statement

Manhattanville College expects a high level of trust and commitment to its workplace environment and to the College’s activities as a whole. To achieve that goal, the College will not enter into any Related Party Transaction unless the transaction is determined to be fair, reasonable, and in the College’s best interest at the time of the determination.

Entities Affected by the Policy

Entities affected by this Policy include the President, President’s Cabinet, President’s Council, Key Employees (“Key Employees”), Board of Trustees, and Relatives

Policy Background

This Policy incorporates and supersedes the Manhattanville College “Conflict of Interest and Disclosure Policy” in the Board of Trustees Handbook (effective September 2015), the Manhattanville College “Conflict of Interest and Related Party Transactions Policy” in the Employee Handbook (effective February 2015), and the Manhattanville College “Conflict of Interest Policy” in the Faculty Handbook (effective May 21, 2014). This Policy should be read in conjunction with the Conflict of Interest Policy, Policy 1.2.1.

Policy Procedures

Disclosure of Related Party Transactions

If an actual, perceived, or potential Related Party Transaction should arise or if one is suspected, a Trustee/Key Employee must:

1. take appropriate steps to determine if a Related Party Transaction matter is occurring;
2. remove himself/herself from the situation by discontinuing participation in the transaction;
3. not be present at or participate in any deliberation or vote on the matter giving rise to such transaction; and
4. disclose all material facts relating to such potential transaction to the Chief Ethics and Compliance Officer.
5. The above disclosure of information and duty to disclose would also apply if a Trustee/Key Employee reasonably believed that another Trustee/Key Employee had an actual, perceived, or potential Related Party Transaction.
6. The Chief Ethics and Compliance Officer will examine all material facts and make a decision as to how to proceed, including, but not limited to the following steps:
 - i. Consider and decide whether an inappropriate Related Party Transaction exists in a particular situation,
 - ii. Determine if the transaction is fair, reasonable, and in the best interest of the College at the time of determination,
 - iii. Consider alternative transactions to the extent available.
 - iv. Provide recommendations for action to the President and Chair, Audit Committee, Board of Trustees.
7. If the Chief Ethics and Compliance Officer has an actual, perceived, or potential Related Party Transaction, the Chief Ethics and Compliance Officer will comply with the above listed steps and disclose all material facts to the President.
8. The President and the Chair, Audit Committee, will consider whether an inappropriate Related Party Transaction exists; review alternative transactions; determine if the transaction is fair, reasonable, and in the best interest of the College at the time of the determination; and will make an appropriate decision and take action. If no request for review occurs, the decision of the President and Chair, Audit Committee, is final.
9. If the Trustee/Key Employee disagrees with the decision and action of the President and the Chair, Audit Committee, the Trustee/Key Employee will request, in writing within five (5) Business Days of the decision, the Board of Trustees to reconsider the matter.
10. The matter will be brought to the Board of Trustees who will review the decision and actions of the President and Chair, Audit Committee.
 - a. The Board will approve/not approve the transaction by no less than a majority vote of the Trustees present at the Trustee meeting.
 - b. The decision of the Board is final.
11. The existence and resolution of the matter will be documented in the College's records, including in the minutes of any meeting at which the Related Party Transaction was discussed or voted upon. Such documentation will include, but is not limited to, the

basis for the approval of the transaction including the consideration of any alternative transactions.

Additional Responsibilities – Trustees and Key Employees

In addition to the above procedure for disclosure of actual, perceived, or potential violation of this Policy, each:

1. Trustee must, prior to joining the Board of Trustees and annually, submit a statement disclosing any actual, perceived, or potential Related Party Transactions. (Appendix A)
2. Key Employee must, beginning with the date of hire and annually, submit a statement disclosing any actual, perceived, or potential Related Party Transactions. (Appendix A)

Definitions

Key Employee

- President
- Members of President's Cabinet and President's Council
- Key Employee is further defined as any College employee who exercises significant financial or budgetary control or can significantly influence policy or decision making.
- The Director of Human Resources, in conjunction with the President, will identify specific positions that are deemed to be Key Employees.

Personal Financial Interest

- A 35% or greater ownership or beneficial interest, or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Related Party

- President, President's Cabinet, President's Council, or Key Employee of the College (Key Employee);
- Board of Trustees member; and
- Any relative of the Trustee/Key Employees.

Related Party Transactions

- A transaction, agreement, or other arrangement in which a Related Party has a Personal Financial Interest and in which the College is a participant;
- A transaction, agreement, or other arrangement in which a Related Party has an interest and a Related Party can exercise control or significantly influence policy or decision making and in which the College is a participant;
- Any entity in which the Related Party is an employee, Board member, owner, significant investor in or significant professional advisory capacity and in which the College is a participant.

- For purposes of the last two definitions, an investment in a publicly-traded entity or a widely held investment vehicle is not a Personal Financial Interest unless the Related Party is in a position to control that entity.

Relative

- His/her spouse/partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.

Responsibilities

Board of Trustees

- Renders resolution decision on a request to review the decision of the President and Chair, Audit Committee.

Board of Trustees Member

- Prior to joining the Board and annually thereafter, each Trustee must submit a statement (Appendix A) disclosing any entity, transaction, agreement, or other arrangement in which the Trustee or Relative has a Personal Financial Interest or other material interest and in which the College is a participant.

Chair, Audit Committee, Board of Trustees

- Review real, perceived, or potential Related Party Transactions; determine if a Related Party Transaction exists; facilitate the approval/disapproval of the transaction; ensure recording of documentation of the basis for the decision and the consideration of alternative transactions.

Chief of Staff

- Facilitate the dissemination and collection of the Acknowledgement and Disclosure Statement to the Board of Trustees members prior to joining the Board and annually thereafter.

Chief Ethics and Compliance Officer

- Gather information relating to real, perceived, or potential Related Party Transactions; make recommendations to the President and Chair, Audit Committee.

Director, Human Resources

- Facilitate the dissemination and collection of the Acknowledgement and Disclosure Statement to Key Employees beginning with the date of hire and annually thereafter.

- Identify, in conjunction with the President, by position Key Employees.

Key Employee

- Beginning with the date of hire and annually thereafter, each Key Employee must submit a statement (Appendix A) disclosing any entity, transaction, agreement, or other arrangement in which the Key Employee or Relative has a Personal Financial Interest or other material interest and in which the College is a participant.

President

- Review real, perceived, or potential Related Party Transactions; determine if a Related Party Transaction exists; facilitate the approval/disapproval of the transaction.
- Identify, in conjunction with the Director, Human Resources, by position Key Employees.

Board of Trustees Member

- Prior to joining the Board and annually thereafter, each Trustee must submit a statement (Appendix A) disclosing any entity, transaction, agreement, or other arrangement in which the Trustee or Relative has a Personal Financial Interest or other material interest and in which the College is a participant.

Violations of the Policy

Violations of this policy by Key Employees will be handled in accordance with this policy and the procedures in the Employee Handbook and Faculty Handbook.

Violations of this policy by Board of Trustees members will be handled in accordance with this policy and the Board of Trustees By-Laws.

Interpreting Authority

President
Chair, Audit Committee

Statutory or Regulatory References

Non-Profit Revitalization Act of 2013.

Relevant Links

Policy Adoption Review and Approval

Recommendation of support by Faculty By-Laws Committee on November 16, 2015
Recommended approval by President's Cabinet on November 16, 2015
Recommended approval by President on January 5, 2016
Approved by Board of Trustees on February 4, 2016

Appendix A – Trustees and Key Employees
Acknowledgment and Disclosure Statement
Related Party Transactions Policy

I hereby acknowledge that I have received and read Manhattanville College’s Related Party Transactions Policy. I hereby acknowledge that I understand the policy and agree to comply with the procedures contained therein.

Disclosure – Related Party Transactions - Personal Financial Interest or other material interest

Using the definitions in the Related Party Transaction Policy, list all entities, transactions, agreements, or other arrangements in which you and/or a Relative have a Personal Financial Interest or other material interest and in which the College is a participant. Also list the nature of the interest.

Disclosure – Related Party Transactions - Control

Using the definitions in the Related Party Transactions Policy, list all entities in which you and/or a Relative serve as a Trustee, Director, Board Member, officer, employee, owner, significant investor, or significant professional advisor or in any other positions which enables control or significant influence over policy or decision making of the entity and in which the College is a participant. Also list the position held.

(Attach additional sheets if necessary).

I certify that the above information is correct to the best of my knowledge.

Print Name: _____

Title: _____

Signature: _____

Date: _____

Reviewed by President:

Date

Signature

Reviewed by Chair, Audit Comm.

Date

Signature

Comments: