

**MILLIKIN UNIVERSITY CONFLICT AND DUALITY**  
**OF INTEREST QUESTIONNAIRE**

**Please complete the following questions, sign and return in the enclosed envelope. Refer to Schedules 1 and 2 for examples and definitions.**

1. During the fiscal year ending December 31, 2015, did you:
- a. Have a direct business transaction with the University or an indirect business transaction through your ownership of more than 10% in another entity that had a business transaction with the University.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
  - b. Have a Family Member who had a direct or indirect business transaction with the University?  
\_\_\_\_\_ Yes \_\_\_\_\_ No
  - c. Serve as an officer, director, trustee, partner, or member of an entity doing business with the University?  
\_\_\_\_\_ Yes \_\_\_\_\_ No

If you answered "yes" to any of the questions, please explain:

2. Did the University provide to you or a Family Member a scholarship, internship, prize, award, or any type of grant?  
\_\_\_\_\_ Yes \_\_\_\_\_ No

Do not include:

- Any compensation reported on a Form W-2
- Non-taxable fringe benefits
- Reimbursements for business expenses
- Goods or services provided in exchange for a donation, provided that all similarly situated donors were offered the same goods or services
- Business transactions with no gift element

If yes, please explain the type of payment, to whom the payments were made, including the relationship to you and the amount of the payment.

3. For the 12-month period ending on December 31, 2015, did the University make to you, or to anyone or any organization that is an "Interested Person" by virtue of its relationship to you, total payments in excess of \$10,000 as a result of business transactions? Business transactions include, but are not limited to, sales of goods, contracts of sale, leases, licenses, and performance of services, whether limited to the current year or a prior year. (If you were an officer, director or owner of a for-profit business that did more than \$10,000 of business with the University during the 12-month period specified above, you should answer "yes").

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide an explanation:

4. Did the University make compensation payments to one of your Family Members?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please, list the Family Member(s) and their relationship to you. You do not need to list any relative whose total "reportable compensation" from the University was \$10,000 or less.

5. Were you, a Family Member and/or an entity 10% controlled by you, and/or by your Family Member, engaged in a loan transaction to or from the University, including salary advances, other advances, or receivables during the year? This includes any loan or advance that was originally made between the University and a third party, or between you or a Family Member and a third party, that was transferred to become a debt outstanding between the University and you or a Family Member. This does not include business expense advances, pledges receivable, accrued but unpaid compensation that would qualify as a charitable contribution when paid, or receivables that were created in the ordinary course of business on the same terms as offered to the public.

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide an explanation:

6. Do you or a Family Member have a trust, escrow, or custodial arrangement with the University?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide an explanation:

7. Are you or a Family Member a member of a selection committee with any charitable institution that grants money or receives funds from the University?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide an explanation:

8. Do you or a Family Member have any loans to or from the University?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide and explanation:

9. Are you aware of any *excess benefit transactions* to report? An *excess benefit transaction* is where the University directly or indirectly provided an economic benefit to any individual or entity where the fair market value of the benefit received by that individual or entity exceeded the fair market value of the consideration received by the University.

\_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please provide an explanation:

10. Please affirm that you:

1. Have received a copy of the Policy;
2. Have agreed to comply with the Policy;
3. Understand that the University is organized and operated exclusively for educational purposes and, to retain its federal tax exemption, University business must be operated in a manner consistent with the Policy; and
4. Will promptly report any change in your response that may result from changes in circumstances or any further Interest that may develop before completion of your subsequent annual questionnaire.

\_\_\_\_\_ Yes    \_\_\_\_\_ No

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Signature

Position: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule - 1**  
**Examples of Conflicts of Interest**

1. A Covered Person is a director of a business that sells software to the University for any consideration.
2. A Covered Person is a more than 10% stockholder, partner or proprietor of a business that sells services to the University for any consideration.
3. A Covered Person is a part-time employee of a business that sells office supplies to the University for any consideration.
4. A Covered Person who chairs the Board audit committee and receives a \$2,000 vacation from the engagement partner (with whom he/she is not personally involved) of the accounting firm that represents the University.
5. A Covered Person and his/her spouse are provided with a free dinner, theater tickets, and overnight stay, valued in excess of \$250.00 by representatives of a conference center that seeks to host a conference to be sponsored by the University.
6. A Covered Person's spouse is a part-time consultant to a consulting firm that bids for a contract with the University in a material amount.
7. A Covered Person provides services to a third party where the Covered Person believes that the requested service is requested by the third party to assist the third party in obtaining a material contract with the University even without regard to the intentions of the Covered Person.
8. A Covered Person who is also a consultant-for-hire requests that he or she be among the panelists at a conference sponsored by the University and that a competing consultant be dropped from consideration as a panelist.

**Examples of Dualities of Interest**

1. A trustee or officer also serves in a similar capacity to another charitable organization that competes with the University as to revenue sources, including general fundraising.
2. A trustee also serves in a similar capacity to another charitable or governmental organization that competes with the University as to programs, activities and tax exempt purpose.

## **Schedule – 2**

### **Definitions**

"**Compensation**" includes direct and indirect remuneration as well as gifts or favors (except those less than \$250 per calendar year).

"**Conflict of Interest**" or "**Conflict**" occurs when an Interested Person (defined below) has an Interest (defined below) which is disclosed as or found under this Policy to be a personal and proprietary interest to the Interested Person or his or her Family Member (defined below), and the promotion or protection of such Interest (defined below) will or may cause such Interested Person to act in a manner opposed to, incompatible with, or not in the best interests of the University and its tax exempt, educational purpose. Examples of Conflicts of Interest are listed in Schedule - 1.

"**Covered Person**" shall mean all persons to whom this Policy applies, including trustees, officers, members of trustee committees, Designated Employees (defined below) and Designated Agents (defined below) and are all sometimes referred to as "covered fiduciaries."

"**Designated Agents**" are the University's bankers, auditors, attorneys and consultants who provide services in amounts in excess of \$10,000.00 per calendar year.

"**Designated Employees**" are: the President, Chief of Staff and Board Secretary, Vice President for Finance and Business Affairs, Vice President for Academic Affairs, Vice President for Enrollment, Vice President for Development, Director of Facility Operations, Contracts and Risk Management, University Deans, and the University's directors, associate directors, assistant directors and key employees designated by the Chief of Staff and Board Secretary.

"**Duality of Interest**" or "**Duality**" occurs when an Interested Person has an Interest that is disclosed as or found under this Policy to be not personal or proprietary to the Interested Person or his or her Family Member, where the promotion or protection of such Interest will or may cause such Interested Person to not act exclusively in the best interests of the University and its tax exempt, educational purpose. A Duality of Interest may include a competing uncompensated fiduciary obligation to another charitable institution. Examples of Dualities of Interest are listed in Schedule – 1.

"**Family Members**" shall mean a Covered Person's spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half blood, natural or adopted), and the spouses of children, grandchildren, great-grandchildren, and siblings.

"**Interested Person**" shall mean any Covered Person who has a direct or indirect Interest (defined below). "Interested Persons" are sometimes referred to as "covered fiduciaries" when the *Intermediate Sanctions* of Internal Revenue Code Section 4958.

**"Interest"** includes any of the following interests of a Covered Person, whether direct or indirect, through business, investment, or the business or investment of his or her Family Member:

- (i) A ten percent (10%) ownership or investment interest in any entity with which the University has a transaction or contractual arrangement;
- (ii) A compensation arrangement with the University or with any entity or individual with which the University has a transaction or contractual arrangement, in which the compensation is in excess of ten thousand dollars (\$10,000) in any year;
- (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the University is negotiating a transaction or contractual arrangement; or
- (iv) A director or officer position or other position of substantial influence with respect to an entity, charitable or otherwise, that competes with the University for grants, contributions or strategic opportunities.

An Interest is not always a Conflict of Interest. It may be too tenuous or contingent. As provided below, a person who has an Interest may have a Conflict of Interest only if, pursuant to disclosure, the trustees decide that a Conflict of Interest exists.