University Trustees commonly have a range of professional and personal associations with, and interests in, other entities. To assure the University’s many constituents of the integrity of its endeavors, Trustees should avoid situations in which such associations or interests could compromise or reasonably appear to compromise important academic values or the University’s business decisions. Accordingly, it is the policy of the University that Trustees shall act in a manner consistent with their responsibilities to the University and avoid circumstances in which their financial or other ties to outside entities could present an actual, potential or apparent conflict of interest or impair the University’s reputation.

No policy statement can address specifically every conceivable situation that might entail a conflict of interest. As a general principle, Trustees should avoid any actions or situations that might result in or create the appearance of using their association with the University for private gain, according unwarranted preferential treatment to any outside individual or organization, losing independence or impartiality, or adversely affecting the University’s reputation or public confidence in its integrity.

I. Presumed Conflicts of Interest.

For purposes of this policy, a conflict of interest is presumed to arise when the University has or is considering a transaction or other business relationship with a Trustee or Trustee’s family member (defined to include a spouse, domestic partner, ancestors, siblings (whole or half), children, grandchildren, great-grandchildren and spouses or domestic partners of any of the above) or with an outside entity in which the Trustee or family member has a material financial interest (“Outside Entity”). A financial interest is presumed to be material if it entails:

- Any ownership or investment interest in the Outside Entity (including stock, options, a partnership interest or any other ownership or investment interest) valued at more than $10,000, except equity in a publicly traded company amounting to less than a 5 percent ownership interest in the company;

- Receipt by a Trustee or Trustee family member of non-dividend compensation (including salary, consulting fees, royalty payments or other remuneration) from the Outside Entity of more than $10,000 in any 12-month period in the past three years, or the expectation of such compensation in the future;

- A position of real or apparent authority in the Outside Entity, such as director, officer, trustee or partner;

- Any ownership or investment interest in the Outside Entity wherein the Trustee or Trustee family member owns a 5% or more interest as a partner or shareholder of a professional partnership or professional corporation.

A Trustee is not deemed to have a material financial interest in a publicly traded entity by reason of an investment in that entity by another publicly traded entity, such as through a mutual fund, of which the Trustee does not control investment decisions.
A conflict of interest may also arise when a Trustee or family member has or is considering an investment in an entity, such as a fund or partnership, that is not publicly traded and in which the University has or is considering an investment. Because such parallel investments may create at least an appearance that the Trustee is benefiting from the University’s participation in the entity, Trustees should promptly disclose to the Board any material financial interest in any such entity in which the Trustee otherwise knows the University has or is considering an investment. Ordinarily, the Trustee should not participate in any decision of the Board or of any Board Committee regarding such investment by the University.

II. Disclosure of Financial Interests.

A Trustee who has a known material financial interest in a pending or proposed transaction or business arrangement involving the University shall promptly disclose to the Executive Committee the existence of the interest and other material information that the Trustee may have regarding the transaction or arrangement. In addition, each Trustee shall annually sign and submit to the secretary of the University a statement disclosing all material financial interests, known to the Trustee, of the Trustee or a family member, in any Outside Entity with which the Trustee knows the University has or is considering a transaction or other business relationship, or affirming that the Trustee knows of no such interests.

III. Determination Whether Conflict of Interest Exists.

The secretary, or secretary’s designee, shall review annual disclosure statements to determine whether a material financial interest has been disclosed. If a material financial interest has been disclosed, the secretary shall promptly submit to the chair of the Board Executive Committee or, if the interests involve the chair of the Executive Committee, another member of the Executive Committee, such disclosure forms together with any additional information regarding the current or proposed transaction or business relationship that may give rise to a conflict of interest that the secretary, or secretary’s designee, in consultation with the Executive Committee, believes may be informative.

The Executive Committee shall review the matter and determine whether there is a conflict of interest. If the interests being reviewed involve a member of the Executive Committee, the member shall not participate in or be present during the Committee’s consideration of the matter except as requested by the Committee to answer questions or provide information. The Executive Committee may review such information as it deems pertinent, including posing questions to the interested Trustee involved. If the Executive Committee determines that there is a conflict of interest, it shall so advise the interested Trustee, who shall have an opportunity to address the matter with the Executive Committee. If the Executive Committee or the Trustee involved believes that full Board review is appropriate, the matter may be referred to the Board.

If a conflict of interest determination is referred to the Board, either following review by the Executive Committee or if the disclosure is made in the first instance to the Board (for example, where a Trustee becomes aware of a possible conflict of interest during or just before a meeting of the Board), unless the Trustee elects recusal, the Board shall decide whether a conflict of interest exists. The Board may question the interested Trustee, and the Trustee shall have an opportunity to address the Board as to whether there is a conflict. The interested Trustee shall leave the Board meeting while the disinterested members of the Board determine, by majority vote of a quorum, whether the financial interest gives rise to a conflict of interest. If it is determined that no conflict of interest exists, the interested Trustee may rejoin the meeting and participate fully in the discussion of and vote on the proposed transaction or arrangement.
IV. **Consideration of Matters Involving Conflict of Interest.**

If the Board determines that a Trustee has, or may have, a conflict of interest in a matter before the Board, the Board may permit the interested Trustee to make a presentation regarding the matter, but the interested Trustee shall be required to leave the meeting prior to the discussion of, and the vote on, the proposed transaction or arrangement. The Board may engage such consultants as it deems necessary or useful to assist its determination of these issues.

V. **Record of Proceedings.**

Whenever the Board holds a meeting at which a Trustee’s financial interest in a matter is disclosed, a determination regarding the existence of a conflict of interests is made, or a transaction or arrangement with respect to which a Trustee has a conflict of interest is considered, the Board’s consideration of these issues shall be reflected in the minutes of the meeting.

VI. **Gifts.**

Trustees shall not encourage or accept gifts, favors or gratuities, for themselves or family members, from any individual or entity that to the Trustee’s knowledge has, or seeks to have, a business relationship with the University.

VII. **Appropriation of University Opportunities.**

If a Trustee becomes aware of a business, investment or other potentially valuable opportunity that rightfully belongs to the University, and not to the Trustee individually or another entity with which the Trustee is affiliated, the Trustee shall bring the opportunity to the attention of the Board.

VIII. **Confidentiality.**

Trustees may not use confidential information acquired as a result of service to the University for any purpose unrelated to University business, or provide such information to any third party, without the consent of the Board. Wrongful use of University information includes, but is not limited to, use or disclosure of information to engage, invest or otherwise participate in any business, project, venture or transaction other than through the University.

IX. **Actions Not Void or Voidable.**

No transaction or action undertaken by the University shall be void or voidable, or may be challenged as such by an outside party, by reason of having been undertaken in violation of this policy or the principles set forth herein.

X. **Adoption of policy by the Board/Amendment.**

This policy has been adopted by the Board this _____ day of __________, 2009, and may be amended from time to time by Resolution of the Board.
Widener University
Board of Trustees

DISCLOSURE STATEMENT

• Pursuant to the purposes and intent of certain provisions of the Pennsylvania Non-Profit Corporation Law and the Bylaws of Widener University, Inc., I hereby state to the Board of Trustees that I or my family members (including spouse, domestic partner, ancestors, siblings (whole or half), children, grandchildren, great-grandchildren and spouses or domestic partner of any of the above) have the following affiliations or interests and have taken part in the following transactions that when considered in conjunction with my position with or relation to Widener University might possibly constitute a duality or conflict of interest. The definition of “material” or “materiality” is fully set forth in the Board of Trustee Conflict of Interest Policy, which policy I have reviewed and to which I agree. Material business interests include: any ownership or investment interest in the Outside Entity (including stock, options, a partnership interest or any other ownership or investment interest) valued at more than $10,000, except equity in a publicly traded company amounting to less than a 5 percent ownership interest in the company; receipt by a Trustee or Trustee family member of non-dividend compensation (including salary, consulting fees, royalty payments or other remuneration) from the Outside Entity of more than $10,000 in any 12-month period in the past three years, or the expectation of such compensation in the future; a position of real or apparent authority in the Outside Entity, such as director, officer, trustee or partner; or, any ownership or investment interest in the Outside Entity wherein the Trustee or Trustee family member owns a 5% or more interest as a partner or shareholder of a professional partnership or professional corporation.

I. Outside Interests

Identify any positions or material financial interests, other than investments, of yourself or your family in any outside concern from which you believe the University secures goods or services, or that provides services competitive with the University.

[ ] NONE
II. Investments

List and describe, with respect to yourself and your family, all investments that might be within the category of “material business interest” as described above.

[ ] NONE

III. Outside Activities

Identify any of your, or your family’s, outside activities (directive, managerial, or consultative) in connection with any outside concern that does business with, or competes with the services of, the University.

[ ] NONE

IV. Additional Transactions

Identify whether you or your family is involved in any of the following additional transactions:

A. Loans either to, or from, the University

[ ] NONE

B. Grants, including scholarship or financial aid from the University

[ ] NONE
C. Business transactions with the University (including, but not limited to sales, leases, performance or services, etc.)

[ ] NONE

V. Other

List any other activities in which you or your family are engaged that might be regarded as constituting a duality or conflict of interest.

[ ] NONE

I hereby agree to report to the Board any duality or conflict that may develop hereafter and before completion of my next annual Disclosure Statement.

__________________________                      _____________________________
Date        Signature
SUMMARY OF PROCEDURE

This procedure governs the reporting and investigation of allegations of suspected conflicts of interests of disqualified persons and the protection of those persons reporting such suspected conflicts of interests. It describes the methods for investigating known or suspected conflicts of interests and addressing complaints of retaliation for raising such issues.

Widener University has a responsibility for the stewardship of University resources and the public and private support that enable it to pursue its educational mission. The disqualified persons referred to in this procedure have a duty and responsibility to serve the best interests of the University and without engaging in transactions which constitute a conflict of interest. The University has a responsibility to investigate and report to appropriate parties allegations of conflicts of interest involving disqualified persons, and to protect those persons who, in good faith, report such conflicts to the appropriate authority. Neither the University nor its employees, representatives or agents may retaliate against any person who has, in good faith, reported such a conflict of interest.

WHO IS A DISQUALIFIED PERSON?

A “disqualified person” shall have the meaning as set forth in Section 4958 of the Internal Revenue Code, or any successor provision. At present, a disqualified person is defined as:

1. Any person who was, at any time during the five-year period ending on the date of the transaction at issue, in a position to exercise substantial influence over the affairs of the University (This definition includes, without limitation, any member of the Board of Trustees, the President, the Senior Vice President - Administration & Finance, the Senior Vice President and Provost, the Senior Vice President of Advancement, the Dean of the School of Law, and the Executive Director, Office of the President);

2. A member of the family of an individual described in Item 1 above; or

3. A 35 percent controlled entity (i.e., a corporation in which persons described in Items 1 or 2 above own more than 35 percent of the total combined voting power; a partnership in which such persons own more than 35 percent of the profits interest; and a trust or estate in which such persons own more than 35 percent of the beneficial interest).

For purposes of this procedure, the family of an individual shall include his/her spouse, domestic partner, ancestors, children, grandchildren, great-grandchildren, brothers and sisters (whether by whole or half blood), and the spouses or domestic partners of any of the above.

WHAT IS CONFLICT OF INTEREST?

A conflict of interest is a divergence or the appearance of a divergence between the private interests and the professional obligations and responsibilities of a disqualified person to the University. The
Divergence is such that an independent observer might reasonably question the motives, actions and outcomes regarding decisions made or actions taken by the disqualified person. For purposes of this policy, a conflict of interest is presumed to arise when the University has or is considering a transaction or other business relationship with a disqualified person or his/her family member or with an outside entity in which the disqualified person or family member has a material financial interest (“Outside Entity”). A financial interest is presumed to be material if it entails:

- Any ownership or investment interest in the Outside Entity (including stock, options, a partnership interest or any other ownership or investment interest) valued at more than $10,000, except equity in a publicly traded company amounting to less than a 5 percent ownership interest in the company;

- Receipt by a disqualified person or his/her family member of non-dividend compensation (including salary, consulting fees, royalty payments or other remuneration) from the Outside Entity of more than $10,000 in any 12-month period in the past three years, or the expectation of such compensation in the future;

- A position of real or apparent authority in the Outside Entity, such as director, officer, trustee or partner;

- Any ownership or investment interest in the Outside Entity wherein the disqualified person or his/her family member owns a 5% or more interest as a partner or shareholder of a professional partnership or professional corporation.

A disqualified person is not deemed to have a material financial interest in a publicly traded entity by reason of an investment in that entity by another publicly traded entity, such as through a mutual fund, of which the disqualified person does not control investment decisions.

A conflict of interest may also arise when a disqualified person or family member has or is considering an investment in an entity, such as a fund or partnership, that is not publicly traded and in which the University has or is considering an investment. Because such parallel investments may create at least an appearance that the disqualified person is benefiting from the University’s participation in the entity, disqualified persons should promptly disclose to the Board any material financial interest in any such entity in which the disqualified person otherwise knows the University has or is considering an investment. Ordinarily, the disqualified person should not participate in any decision of the Board or of any Board Committee regarding such investment by the University.

**Disclosure of Financial Interests.**

A disqualified person who has a known material financial interest in a pending or proposed transaction or business arrangement involving the University shall promptly disclose to the Executive Committee the existence of the interest and other material information that the disqualified person may have regarding the transaction or arrangement. In addition, each disqualified person shall annually sign and submit to the secretary of the University a statement disclosing all material financial interests, known to the disqualified person, of the disqualified person or a family member, in any Outside Entity with which the disqualified person knows the University has or is considering a transaction or other business relationship, or affirming that the disqualified person knows of no such interests.
Filing a Report of Suspected Conflict of Interest.

Any person may report allegations of suspected conflicts of interest involving disqualified persons. Allegations of suspected conflicts of interest may also be reported anonymously. However, while anonymous complaints will be accepted, reporting persons are encouraged to identify themselves in order to increase the credibility of a report and to facilitate appropriate investigation. In general, it is less likely that an investigation will be initiated in response to an anonymous complaint due to the difficulty of interviewing anonymous complainants and evaluating the credibility of their allegations. Allegations of suspected conflicts of interests must be made in good faith and should be made in writing so as to ensure a clear understanding of the issues raised. However, in exceptional circumstances, such allegations may be made orally. Such reports should be factual and contain as much specific information as possible. Malicious or knowingly false allegations may result in disciplinary action, up to and including termination of employment. Allegations of suspected conflicts of interests involving disqualified persons should be reported as soon as possible and no later than one hundred eighty (180) days after the event giving rise to the allegations, unless there is good cause shown to explain the delay. Such allegations should be filed with either the Associate Vice President of Administration or the Executive Director, Office of the President. The officer with whom the allegations are filed shall notify the General Counsel of his/her receipt of the allegations and conduct whatever investigation he/she deems appropriate under the circumstances. Such officer shall forward copies of the allegations and the officer’s investigatory findings to the General Counsel of the University promptly. The University may engage any outside advisor, investigator or consultant it deems appropriate to conduct any investigation of allegations reported under this procedure. Upon receipt of the allegations and the findings of any investigation, the General Counsel shall determine whether the matter is of such materiality to present to the Board of Trustees. If the General Counsel so determines, he will report the matter to the Chairman of the Board of Trustees (or to the Vice Chairman to the extent that the allegations involve the Chairman), together with all relevant documentation. Upon receipt of the allegations and the relevant documentation, the Chairman shall present the matter to the full Board and/or to the Executive Committee for disposition and/or further investigation.

Protection from Retaliation.

Any employee who believes that he/she has been subjected to or affected by retaliatory conduct for reporting, in good faith, suspected conflicts of interests involving disqualified persons should report such conduct to either the Associate Vice President of Administration or the Executive Director, Office of the President. The Associate Vice President of Administration or the Executive Director, Office of the President is required to advise the General Counsel of any such report or knowledge of retaliatory conduct. Any employee who retaliates against someone who has reported a suspected conflict of interest in good faith shall be subject to disciplinary action, up to and including termination of employment.

Confidentiality of Investigations and Dissemination of Information.

All internal complaints will be reviewed promptly and investigated as deemed appropriate by the individual receiving the complaint. All information obtained will be handled with discretion and on a “need to know” basis. The University will endeavor to maintain the confidentiality or anonymity of any person filing a report of suspected conflicts of interests involving disqualified persons to the fullest extent reasonably practicable within the legitimate needs of law and of any ensuing investigation. However, no assurances can be given that confidentiality or anonymity will be maintained. At the conclusion of any
investigation, remedial and/or disciplinary action will be taken where the allegations are verified and/or otherwise substantiated.

**Effective Date and Amendment.**

This procedure shall be effective as of ________________, 2009. This procedure may be amended, supplemented or revoked at any time by the Board of Trustees of the University.