

**BOARD OF TRUSTEES  
CONFLICTS OF INTEREST POLICY**

Date: September 26, 2014

Supersedes: *Board of Trustees Conflicts of Interest Policy*, dated December 1993

Effective: Immediately

**I. PREAMBLE**

Since 1860, the Trustees of New York Medical College have played a critical role in leading and aiding the College in its tripartite mission of medical education, scientific research and the care of patients. During this era, the Trustees have sacrificed their time and shared their knowledge and skills solely for the benefit of the College and the execution of its profound public trust. The only compensation the Trustees have received is the satisfaction of helping the College fulfill its noble purposes. In order to enhance this tradition of integrity and altruism free of any taint of impropriety and self-gain, this Board of Trustees hereby adopts this policy with the intent that all Trustees and all other persons covered by this Policy shall be able with confidence to continue their tradition of loyalty, fairness and selfless service to the College and the public welfare, and that they will continue to deal with all persons doing business with the College in the best interests of the College, in an ethical manner and in compliance with applicable legal and regulatory requirements

**II. SCOPE OF THIS POLICY**

This Policy applies to all Trustees, Officers, Senior Administrators and Key Employees of the College.

**III. POLICY**

It is the policy of the College that all Trustees, Officers, Senior Administrators and Key Employees as defined herein shall act in the best interests of the College and in compliance with the principles, procedures and requirements of this Policy and with applicable legal and regulatory requirements. It is also the policy that all Covered Persons subject to this Policy have a duty to disclose on an ongoing basis any current, proposed, or pending situations that may constitute a conflict of interest or a potential conflict of interest, including but not limited to a proposed Related Party Transaction and that such Covered Persons promptly and fully disclose in good faith the material facts relating to any conflict or potential conflict of interest as soon as such Covered Person is aware of the existence of such conflict or potential conflict of interest and, with respect to a Related Party Transaction, prior to entering into the transaction.

**IV. DEFINITIONS**

The following terms shall have the stated meanings:

“Affiliate of the College” is an entity controlled by, in control of or under common control with the College, including but not limited to the Touro College and University System.

“Compensation” means: (a) any compensation, whether paid or accrued, by or on behalf of the College, or any affiliate of the College, for services rendered to, on behalf of, or at the request of the College, including but not limited to salary, bonus, and deferred compensation; and (b) any benefit having a monetary value provided by or on behalf of the College or any affiliate of the College, including but not limited to housing allowances, living expenses, perquisites, fringe benefits, employer contributions to defined contribution retirement plans and other retirement benefits.”

“Confidential Information” includes, without limitation, the following: medical, personnel, security, academic, background check, conflict of interest, business records; contracts and business terms; business and donor relationships; computer system passwords and security codes; proprietary and competitively sensitive information; non-public information about individuals, contractors and subcontractors, grant proposals, research data, manuscripts and correspondence; non-public financial, health-safety, audit, insurance and claims information; and non-public information relating to internal investigations, pre-litigation and litigation and administrative agency charges, audits and inquiries; and other information whose confidentiality is protected by law or College policies;

“Conflict of Interest” means any circumstance in which the personal, professional, financial, or other interests of a Trustee, Officer, Senior Administrator or Key Employee may potentially or actually diverge from, or may be reasonably perceived as potentially or actually diverging from, his or her obligations to the College and the interests of the College or any affiliate of the College. It includes indirect conflicts, such as benefits provided to a Relative of a Trustee, Officer, Senior Administrator or Key Employee;

“Covered Person” means the Trustees, Officers, Senior Administrators and Key Employees of the College;

“Key Employee” is a person who at any time during the preceding 5-year period was in a position to exercise substantial influence over the affairs of the College or a relative of such a person;

“Officer” means those persons described as officers in the governing documents of the College;

“Related Party” means (a) a Trustee, Officer, or Key Employee of the College or any Affiliate of the College, (b) any Relative of any Trustee, Officer, or Key Employee of the College or any Affiliate of the College, (c) or any entity in which any individual described in (a) or (b) has 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 five percent;

“Related Party Transaction” means any transaction, agreement, or other arrangement in which a Related Party has a financial interest and in which the College or any Affiliate of the College, is a participant;

“Relative” shall mean a person in one of the following relationships with a Trustee, Officer, Senior Administrator or Key Employee: spouse, domestic partner, or person in a civil union or similar relationship; minor child or stepchild; child or stepchild sharing a home with the Trustee, Officer, Senior Administrator or Key Employee; a grandchild; parent; or a brother or sister (whether by whole or half-blood);

“Senior Administrators” means, with respect to the College, the academic and administrative leaders as designated by the President of the College as members of the College’s Leadership Team and any other Key Employees of the College, and with respect to each Affiliate of the College, the Key Employees of such Affiliate;

“Trustee” means a voting member of the governing body of the College and of any Affiliate of the College.

## **V. PRINCIPLES**

Subject to the resolution of any conflicts of interest or potential conflicts of interest as hereinafter provided, no Covered Person shall:

A. Recommend, use his/her influence, be present or participate in any board or committee deliberations or, if applicable, vote on, with respect to any matter giving rise to such conflict of interest including any transaction between the College and any organization, person or entity for which such Covered Person acts as a trustee, director, employee, agent or consultant or in which the Covered Person or his/her relative) has a financial interest

B. Disclose confidential information about the College, its operations or activities (including non-public information obtained at, or in preparation for, meetings of the Board and its Committees) to organizations, persons or entities outside the College or to other unauthorized persons, except as required by law;

C. Use without authorization the College’s resources, including the services of College employees or students, or use his/her title, position, influence or make any attempt as a College Trustee, Officer, Senior Administrator or Key Employee, or information or relationships arising out of such capacity, for personal gain, or at the College’s disadvantage, to the benefit or advantage of any outside organization, person or entity; and

D. Accept, or permit any relative to accept, any gifts or gratuities of more than nominal value from known College contractors or vendors or from any organization, person or entity known to be applying or preparing to do business with the College.

## **VI. DISCLOSURE PROCEDURES**

A. When, at any time, a Covered Person shall determine that he/she will be involved in a situation of conflict of interest or potential conflict of interest as described in this Policy the Covered Person shall promptly and in detail fully and in good faith report and make disclosure of the material facts of the matter in writing to the College's President. The President shall promptly report the matter to the Chairman of the Board's Audit Committee for consideration at the Committee's next regular meeting or a special meeting called for such purpose. Any conflict of interest shall be resolved in the College's best interest by inquiry and action of the Audit Committee at a duly constituted meeting excluding the participation and presence at the deliberations (but counted in determining the existence of a quorum for purposes of any action of the Committee with respect to such matter) and vote of the reporting Covered Person if he/she is a Trustee and a member of such Committee. The disclosures at the meeting and the decision of the Audit Committee shall be recorded in the Committee's Minutes and the College's records. The Audit Committee shall also inquire into and resolve all situations or conflict of interest or potential conflict of interest involving Covered Persons otherwise referred to it by any person.

B. If after review and consideration the Audit Committee determines that a Covered Person has a conflict of interest or potential conflict of interest that may need to be managed, reduced, or eliminated, the Audit Committee will determine the next steps with respect to the conflict or potential conflict of interest. The existence and resolution of the conflict of interest or potential conflict of interest shall be documented in the records of the meeting at which it was discussed or voted upon.

C. In connection with any conflict of interest or potential conflict of interest that is a Related Party Transaction, in which a Related Party has a substantial financial interest and which does not involve any compensation and/or benefits, as defined in this Policy, to a Covered Person, the Audit Committee shall determine whether in its judgment the proposed transaction is fair, reasonable and in the best interests of the College. In making such determination, the Audit Committee shall consider alternative transactions to the extent available, approve the transaction by not less than a majority vote of the Committee members present at the meeting and contemporaneously document in writing the basis for the Committee's approval, including its consideration of any alternative transactions. The College shall not enter into any Related Party Transaction without the prior approval of the Audit Committee after it follows the procedures stated in this Policy.

D. With respect to a Related Party Transaction solely involving compensation and/or Benefits, as set forth in this Policy, to be paid to a Covered Person or a Related Party for services rendered, the Board of Trustees, or Executive Committee or, as applicable, a committee or subcommittee duly appointed by the Board of Trustees other than the Executive or Audit Committee shall, either before or after the consideration and determination by the Audit Committee after following the process set forth above, shall also review and determine whether that such compensation and/or benefits is fair, reasonable and commensurate with the services provided to the College. In making such determination, the Board of Trustees, or Executive Committee or, as applicable, such

committee or subcommittee of the Board of Trustees other than the Executive or Audit Committee shall approve the transaction by not less than a majority vote of its members present at the meeting and contemporaneously document in writing the basis for the approval.

E. In no event may a Covered Person or Related Party with a conflict or potential conflict of interest be present at or participate in any board or committee deliberation or vote on the matter giving rise to the conflict or potential conflict of interest, such as the Covered Person's compensation by the College. A Covered Person or Related Party may, where requested by the Board of Trustees or applicable committee, be present at the meeting prior to the commencement of deliberations or vote on the matter in order to present information or answer questions concerning the conflict or potential conflict of interest.

## **VII. ANNUAL CERTIFICATIONS**

### **A. Disclosure Form of Trustees**

Each year following the annual meeting of the Board of Trustees, the Vice President and General Counsel and Secretary to the Board of Trustees shall cause the Office of the Board of Trustees to distribute to each Trustee a copy of this Policy and a disclosure form to be completed, signed and returned to the Board Office within 30 days. The disclosure form shall request information concerning conflicts of interest and potential conflicts of interest as described in this Policy. Upon their return, the College's Vice President and General Counsel shall review the submitted disclosure forms and report any conflict or potential conflicts of interest disclosed to the President on a confidential basis. In addition, prior to the initial election of any Trustee, such individual must complete, sign, and submit to the Vice President and General Counsel and Secretary to the Board of Trustees of the College the applicable disclosure form or a written statement identifying any entity of which such individual is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the College has a relationship, and any transaction in which the College is a participant and in which the individual might have a conflicting interest. The Vice President and General Counsel and Secretary to the Board of Trustees of the College shall provide a copy of all completed disclosure forms or statements to the Chairman of the Audit Committee.

### **B. Annual Disclosure by Covered Persons other than Trustees**

Each year, all Covered Persons other than Trustees shall promptly complete, sign and return the annual disclosure form pursuant to the College's *Code of Conduct, Policy on Conflicts of Interest and Conflict of Commitment*. The disclosure form shall request information concerning conflicts of interest and potential conflicts of interest as described in this Policy. Upon their return, the College's Vice President and General Counsel shall review the submitted disclosure forms and report any conflict or potential conflicts of interest disclosed to the President on a confidential basis.

### C. Audit Committee Resolution

All conflicts and potential conflicts of interest disclosed in the annual disclosure forms shall be referred by the President to the Board's Audit Committee. All conflicts or potential conflicts shall be resolved in the College's best interest by inquiry and action of the Audit Committee in accordance with this Policy.

## VIII. BOARD OF TRUSTEES REVIEW

The Board of Trustees or its Executive Committee, when they deem it necessary or appropriate, may in executive session review the determinations made by the Audit Committee under this Policy and make any modifications thereto as they may decide are in the best interests of the College provided that such modifications are approved by a majority vote of independent Trustees as defined by Section 102 of the *New York Not-for-Profit Corporation Law* and provided that no Covered Person or Related Party with a conflict or potential conflict of interest, including the approval of any compensation from the College, is present at or participates in the deliberation or vote on the matter giving rise to the conflict or potential conflict of interest, such as the Covered Person's or Related Party's compensation by the College. *The New York Non-Profit Revitalization Act of 2013* defines "independent trustee" as a trustee who (i) is not, and has not been within the last three years, an employee of the nonprofit corporation or an affiliate thereof, and does not have a relative who is, or who has been within the last three years, a key employee of the nonprofit corporation or an affiliate thereof; (ii) has not received, and does not have a relative who has received, in any of the last three fiscal years, more than \$10,000 in direct compensation from the nonprofit corporation or an affiliate thereof (other than reimbursement for expenses reasonably incurred as a trustee or reasonable compensation for service as a trustee); and (iii) is not a current employee or does not have a substantial financial interest in, and does not have a relative who is a current officer of or has a substantial financial interest in, any entity that has made payments (other than charitable contributions) to, or received payments (other than charitable contributions) from the nonprofit corporation or an affiliate thereof, for property or services in an amount that exceeds the lesser of \$25,000 or 2% of such entity's consolidated gross revenue in any of the last three fiscal years.

Any questions concerning the application of this Policy are to be referred to the Office of the Vice President and General Counsel of the College.

Approved by the Audit Committee of the Board of Trustee on October 22, 2014

Approved by the Board of Trustees on December 17, 2014

**NEW YORK MEDICAL COLLEGE  
BOARD OF TRUSTEES ANNUAL CONFLICTS OF INTEREST POLICY  
QUESTIONNAIRE**

Attached is a copy of the Board of Trustees policy on conflicts of interest for your review. The policy requires that annually each Trustee complete a disclosure questionnaire concerning conflicts and potential conflicts relating to College affairs and return the completed questionnaire to the Board of Trustees Office within 30 days.

In accordance with the policy, please answer the following questions:

1. Do you serve as a trustee, director, employee, agent or paid consultant for any organization, person or entity that you know to have done business with New York Medical College within the past year or is applying or preparing to do business with the College (including hospital affiliations)?

Yes                       No

If the answer is "Yes", please list the name or the organization, person or entity below and, if the relationship is other than service as a trustee of an affiliated hospital, please provide details on a separate sheet of paper.

---

---

---

2. Do you individually or together with immediate family members (spouse, children, grandchildren, parent or dependent), have a beneficial equity interest of 10% or more in any organization or entity that you know to have done business with the College within the past year or is applying or preparing to do business with the College?

Yes                       No

If the answer is "Yes", please list the name of the organization or entity below and provide details on a separate sheet of paper.

---

---

---

Conflicts of Interest Questionnaire  
Page 2

3. During the past year have you or any member of your immediate family accepted any gifts or gratuities of more than nominal value (more than \$100.00) from contractors or vendors known to you to do business with the College or applying or preparing to do business with the College?

[ ] Yes [ ] No

If the answer is "Yes", please provide the following information:

**Donor Name**

**Value of Gift or Gratuity**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please certify to the accuracy of the above information by signing below and returning the questionnaire via facsimile to 914-594-4328 or via email [tonicholas\\_janiga@nymc.edu](mailto:tonicholas_janiga@nymc.edu).

Thank you.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature