Williams College

Policy on Conflicts of Interest for Trustees and Officers

This policy applies to all Trustees, non-Trustee members of Trustee committees or subcommittees (hereinafter called “Trustee”) and to all Officers as defined in Article 9 of the College Laws and members of the Senior Staff (hereinafter called “Officer”). The purpose of this policy is to ensure that those responsible for the governance and management of the college adhere to high ethical standards in the discharge of their responsibilities.

A conflict of interest can arise whenever a Trustee or Officer: (1) has an existing or potential interest or relationship which impairs or might appear to impair his or her independent judgment in the discharge of responsibilities to the college; or (2) may receive a benefit or avoid a liability from knowledge of information which is confidential to the college. Each Trustee and Officer has an obligation to identify interests or relationships that might conflict with the interests of the college, and to disclose such interests or relationships in accordance with the provisions of this policy. This policy extends to interests or relationships of members of the families of Trustees and Officers of which the Trustee or Officer is aware. For purposes of this policy family members include spouse, domestic partner, children, grandchildren, siblings, parents and grandparents.

It is not possible to define all situations that might be considered conflicts. The most likely conflict situation is one in which the Trustee or Officer has a financial interest, direct or indirect, in the business of the college. Examples include situations in which the college purchases goods or services from a Trustee or Officer individually or from an entity in which the Trustee or Officer is an owner, shareholder, partner, director or employee. Such situations might involve professional service firms, banks, insurance companies, investment managers, consultants or other types of vendors or suppliers with which the college does business. Trustees and Officers, including those involved in the management of the college’s investments, may not make investments that might be affected by investment or other decisions of the college.

Not all conflicts involve financial interests. A Trustee or Officer must also be aware of potential conflicts involving personal relationships or non-monetary interests. For example, a family relationship with an employee of the College would constitute a potential conflict of interest. Uncompensated service on the board of another nonprofit entity might also give rise to a conflict of interest whenever the college and that entity are involved in a business or other relationship. Trustees and Officers must maintain the confidentiality of non-public college information, and may not utilize such information for personal or family benefit.

Whenever a Trustee or Officer becomes aware of an interest or relationship that might constitute or give rise to a conflict of interest, s/he shall disclose such interest or relationship in accordance with the provisions of this policy in order to permit review by disinterested members of the Board.
I. Procedures for Dealing with Potential or Actual Conflict of Interest with respect to Particular Transactions

If a Trustee or Officer believes that he or she may have a conflict of interest with respect to any particular transaction contemplated or proposed to be taken by the college, s/he shall promptly disclose the potential conflict to the President and the Chair of the Board of Trustees, through the Secretary of the Board of Trustees. The President and/or the Chair of the Board of Trustees may choose to consult with any of the chairs of the Audit and Governance Committees and College Counsel with respect to any issues that may arise under this policy.

A. If the President and the Chair of the Board of Trustees determine that there is a conflict concerning a particular transaction with respect to a Trustee, the conflict shall be reported to the full Board and the affected Trustee shall agree to answer any questions from other Board members about the matter. If the particular transaction requires a vote of the Board or of one of its committees or subcommittees, the affected Trustee shall not be counted for the purposes of a quorum, shall not participate in the Board’s or committee’s discussions about the transaction and shall not vote on the matter. The Secretary shall note in the minutes that the affected Trustee withdrew from discussion and did not vote on the issue.

B. If the President and the Chair of the Board of Trustees determine that there is a conflict concerning a particular transaction with respect to an Officer, they shall exercise their best judgment about the appropriate course to follow, which may include:

1. approval of the transaction despite the conflict if they reasonably believe that the best interests of the college will be served thereby; or

2. referral of the issue to any of College Counsel and chairs of the Audit and Governance Committees for advice; or

3. referral of the issue to the appropriate committee of the Board, or to the full Board, for decision.

In all cases where the President and the Chair of the Board of Trustees determine that there is a conflict of interest concerning a particular transaction involving an Officer, the full Board shall be notified of the resolution of the issue and the affected Officer shall agree to answer any questions that Board members may have about it.

C. If the President and the Chair of the Board of Trustees determine that there is no conflict of interest with respect to a particular transaction involving a Trustee or Officer, they need not notify the Board of Trustees, but they will at a minimum notify the Secretary of the Board who shall keep a record of the decision which shall be available to Board members upon request.
D. In any case in which the potential conflict with respect to a particular transaction involves either the President or the Chair of the Board of Trustees, the affected party shall notify the other through the Secretary of the Board, and the conflict shall then be reported to the full Board, and the President or Chair of the Board of Trustees shall agree to answer any questions that other Board members may have about it. If the particular transaction requires a vote of the Board or of one of its committees, the President or Chair of the Board of Trustees shall not be counted for the purposes of the quorum, shall not participate in the Board’s or committee’s discussions about the transaction and shall not vote on the matter. The Secretary shall note in the minutes that the President or Chair withdrew from discussion and did not vote on the issue.

II. Annual Disclosure of Potential Conflicts of Interest

Each Trustee and Officer shall complete and file a Conflict of Interest Disclosure Form with the Secretary of the Board annually. The Conflict of Interest Disclosure Form may be amended from time to time, subject to the approval of the chairs of the Audit and Governance Committees, in order to ensure compliance with this policy. It may also be necessary to request additional information in certain circumstances in order to ensure accurate completion of the college’s annual Federal and Massachusetts tax filings. The chair of the Audit Committee and College Counsel shall annually review all Trustee and Officer Disclosure Forms and shall advise the President and the Chair of the Board of Trustees as to potential Trustee and Officer conflicts. The completed Disclosure Forms are available to all Board members upon request. Each Trustee and Officer shall agree to answer any questions about the potential conflicts that Board members may have.

III. Confidentiality Policy

Certain information concerning actual or potential conflicts of interest of the Trustees or Officers may be subject to disclosure in the college’s Federal and Massachusetts tax filings. Otherwise the information provided on the annual disclosure forms shall be held in confidence unless the best interests of the college dictate otherwise.

Office of the Secretary
2016