

## **Conflict of Interest for Trustees and Directors**

*Effective as of:*

*American University of Armenia*

*Policy for Publication*

*Policy Number: Number Not Yet Assigned*

---

### **CONFLICT OF INTEREST FOR TRUSTEES OF THE AMERICAN UNIVERSITY OF ARMENIA CORPORATION AND DIRECTORS OF THE AMERICAN UNIVERSITY OF ARMENIA FUND**

American University of Armenia Corporation Trustees and American University of Armenia Fund Directors (hereafter "officials") are prohibited from making or participating in University decisions in which financial conflicts of interest exist. An individual who finds himself or herself in a conflict of interest is required to refrain from making, participating in the making of, or attempting to influence any University decision which may materially affect the individual's financial interests. As a member of the University, you, therefore, must be aware of what is meant by making or participating in making a University decision, what constitutes a conflict of interest, how to disqualify yourself, and what could happen if you do not disqualify yourself.

The meaning of "decision-making" within the scope of this policy is basic since you must disqualify yourself if you have a financial conflict of interest in a University decision.

You make a decision when, acting within the authority of your office, you:

1. Vote on a matter;
2. Appoint a person;
3. Obligate or commit the University to any course of action;
4. Enter into any contractual agreement on behalf of the University;
5. Determine not to act, within the meaning of the above subparagraphs, unless such determination is made because of your financial interest.
6. You participate in the making of a decision when, acting within the authority of your University position, you:
  1. Negotiate, without significant substantive review, with a governmental entity or private person regarding the decision; or
  2. Advise or make recommendation to the decision-maker, either directly or without significant intervening substantive review, by: conducting research or making an investigation which requires the exercise of judgment on your part and the purpose of which is to influence the decision; or preparing or presenting any report, analysis or opinion, orally or in writing, which requires the exercise of judgment on your part and the purpose of which is to influence the decision.

#### **Disqualification Requirement--A Financial Conflict of Interest**

A University official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

1. Any business entity in which the official has a direct or indirect investment worth \$2,000 or more;
2. Any real property in which the official has a direct or indirect interest worth \$2,000 or more;
3. Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made;
4. Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management;
5. Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$360 or more in value provided to, received by or promised to the official within 12 months prior to when the decision is made.

In relation to the above, you have an indirect investment or interest if the investment or interest is owned by your spouse or dependent child, by an agent on your behalf, or by a business entity or trust in which you, your agents, spouse, and dependent children own a 10 percent or greater interest.

#### **Disqualification Requirement--Interest in a Contract**

You have an interest in a contract when you know or have reason to know that any party to the contract is an individual or entity with whom you, or any immediate member of your family, have engaged in any business transactions on terms not available to members of the public, within 12 months prior to the time when the official action is to be taken, regarding:

1. Any investment or interest in real property, or
2. The rendering of goods or services totaling \$1,000 or more.

If you have an interest in a contract according to the criteria listed, you must disqualify yourself from making, participating in the making of or using your official position to influence a decision. If, in any specific instance, you are not sure you are required to disqualify yourself, you should contact the President of AUAC.

#### **How to Disqualify Yourself from Decision-Making**

If you determine that your financial interests require you to disqualify yourself from making or participating in the making of a University decision, you must refrain from participating in any way in the decision, and you must not use your official position to influence any other person with respect to the matter. The determination not to act may be accompanied by disclosure of the disqualifying interest, but disclosure is not required.