

ECSU FOUNDATION, INC.

CONFLICT OF INTEREST POLICY

Purpose

The purpose of this Conflict of Interest Policy is to protect the ECSU Foundation, Inc. (the Corporation) interests when it is considering taking an action or entering into a transaction that might benefit the private interest of a director, officer, employee or key person¹.

Reason for the Policy

The Corporation is accountable to both government agencies and members of the public for responsible and proper use of its resources. Directors, officers, employees and key person(s) have a duty to act in the Corporation's best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken seriously since they may damage the Corporation's reputation and expose both the Corporation and affiliated individuals to legal liability if not handled appropriately.

To Whom does the Policy applies to

All members of the Board of Directors are expected to conduct themselves honestly, ethically, and fairly. In addition, they are expected to fulfill their responsibilities and carry out their duties in such a manner as to aspire and assure the confidence of fellow Directors, employees, donors, alumni, university faculty and administrators and all others with whom the Foundation transacts business.

This policy applies to all directors, officers, employees and key person(s).

Identifying and Disclosing Potential Conflicts of Interests

A potential conflict of interest arises when a director, officer, employee or key person(s) or relative² or (a) business stands to gain a financial benefit from an action the Corporation takes or a transaction into which the Corporation enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director, officer or key person(s) in discharging their duties to the Corporation.

In situations where a director, officer, employee or key person(s) are uncertain, err on the side of caution and disclose the potential conflict as set forth in the Identifying and Disclosing Potential Conflicts of Interest section of this policy.

A director, officer, employee or key person(s) must disclose to the best of their knowledge all potential conflicts of interests as soon as they become aware of them and always before any actions involving the potential conflict are taken.

¹ **Key person** means a person, other than a director or officer, whether or not an employee of the Corporation, who:

- a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;
- b) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income, or expenses of the Corporation; or
- c) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

² **Relative** means a person's spouse or domestic partner, ancestors, brothers and sisters (whether whole or half- blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

All directors, officers, employees or key person(s) must file an annual disclosure statement in the form attached to this policy.

Addressing Procedures for Related Party Transactions

The Corporation may not enter into a related party transaction unless, after good faith disclosure of the material facts by the director, officer, employee or key person(s) the Board or a committee authorized by the board determines that the transaction is fair, reasonable and in the Corporation's best interest at the time of such determination.

If the related party has a substantial financial interest, the board or authorized committee shall:

- a. Prior to entering into the transaction, consider alternative transactions to the extent available;
- b. Approve the transaction by a vote of not less than a majority of the directors present (but not less than five voting directors in attendance), unless the act of a greater number is required by law, Certificate of Incorporation or the Corporations By-laws.
- c. Document in writing the basis for its approval, including its consideration of any alternative transactions.

Minutes and Documentation

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. The name of the interested party and nature of the interest
- b. The decision as to whether the interest presented a conflict of interest
- c. Changes to a proposed contract or transaction considered by the board
- d. If the transaction was approved, the basis for the approval

Prohibited Acts

The Corporation shall not make a loan to any director, officer, employee or key person(s).

**DISCLOSURE FORM FOR THE
ECSU FOUNDATION, INC.
BOARD OF DIRECTORS, OFFICERS, EMPLOYEES & KEY PERSON(s)**

Please complete the following and return this form.

1. Are you or a member of your family an interested person or do you or a member of your family have a financial interest or business relationship with any entity or individual with which the ECSU Foundation, Inc. has or is negotiating a transaction or arrangement as defined by this policy that may represent a conflict of interest?

Yes_____ No_____

If yes, please provide details on the financial interest or business relationship that may represent a conflict of interest.

2. Did you or a member of your family receive during the past twelve (12) months any gifts or loans from any source from which the ECSU Foundation, Inc. buys goods or services or otherwise has a transaction or arrangement?

Yes_____ No_____

If yes, please list such loans or gifts, their source, and their approximate value.

I certify that I have read a copy of the Conflict of Interest Policy and agree to comply with the policy. The foregoing information is true and complete to the best of my knowledge.

Name: _____

Address: _____

Signature: _____

Date: _____