I. Purpose and Scope:

This policy instructs volunteers and staff on how to prevent, identify and manage conflicts of interest and how to limit any adverse effects of such conflicts. Avoiding conflicts of interest is an important part of the Foundation’s adherence to legal and ethical practices. The Foundation benefits from the diverse interests and expertise volunteers and staff have, but must balance those benefits with the potential conflicts that can arise.

This policy applies to the Armstrong State University Foundation Inc., as well as any applicable branches, councils, committees, or other constituent groups at any level of the organization. This policy applies to volunteers and staff, as well as to third parties acting on behalf of the Armstrong State University Foundation, Inc.

Nothing herein shall be deemed to supersede or preempt applicable state or federal laws concerning the governance and operations of nonprofit organizations and organizations exempt from federal income tax and qualified to receive tax-deductible contributions under I.R.C. Section 501(c)(3).

II. Definitions:

"Foundation": the entire Armstrong State University Foundation, Inc.

"Representative": means, at a minimum, every officer, director, trustee, member of a standing committee or other committee of the board, and employee (full-time, part-time or independent contractor). The definition of Representative shall also include any volunteer or any other person affiliated with the Foundation who (i) acts or purports to act on behalf of the Foundation, (ii) has the authority to bind the Foundation, or (iii) has an ability to directly influence a decision or action of the Foundation.

"Associate": (1) a member of a Representative's immediate family; (2) any organization in which a Representative (or a member of his/her immediate family) is a partner, or has an ownership interest in more than 10% of any class of securities; or (3) a trust for which a Representative is a trustee, or in which a Representative or a member of his/her family has a beneficial interest.
"Board": the Board of Directors of the entity within the Foundation most directly impacted by or involved in any conflict of interest between a Representative and the Foundation.

“Personal Gain”: situations in which a Representative or Associate is or has a significant ownership in an entity with which the Foundation does business, and also when a Representative or Associate receives any special consideration as a result of any business dealings involving the Foundation.

“Third Parties”: Individuals or companies who provide goods to or perform services for or on behalf of the Foundation and receive compensation, but who are not employed by the Foundation.

III. Guidelines:

1. Conflicts of interest may be real or perceived. As used herein, the phrase “conflicts of interest” refers to both real and perceived conflicts of interest without distinction, unless expressly noted. Further, this policy also covers situations where a real or perceived conflict of interest is merely possible, and has not already occurred or arisen.

   A. **Real conflicts of interest** exist whenever a Representative acts on behalf of the Foundation, participates in a decision under consideration, or has the ability to influence a decision in which the Representative or any Associate receives a Personal Gain or has an immediate financial or personal interest that would be affected by the act or decision in any material way.

   B. **Perceived conflicts of interest** exist whenever it may appear to a reasonable observer that the action taken by a Representative or the participation in or influence by a Representative on a decision would constitute a real conflict of interest.

2. Financial transactions (i.e., dealing with outside vendors) must avoid conflicts of interest and are subject to review by senior management or the Chair of the applicable entity of the Foundation. Business dealings with outside firms should not result in unusual gains for those firms.

3. Additional specific examples of conflicts of interest, and examples of the proper methods of managing such conflicts, are listed in **Appendix A** attached.

IV. Managing Conflicts of Interest:

1. **Preventative Measures.** The Foundation shall implement the following procedures to discover any conflicts of interest (real or perceived, actual or possible) of any staff, volunteer or third party:

   A. **Disclosure.** Annually prior to January 31, the Foundation shall provide a complete list of all of the Foundation’s Representatives. Upon initial involvement with the Foundation and each year prior to January 31, all Representatives shall complete a Conflict of Interest Disclosure Form, a copy of which is attached as **Appendix B**. Completed Disclosure Forms for trustees, staff and volunteers shall be submitted to the Controller for review by the Finance Committee, and the Treasurer shall report to the
Board on compliance with this policy. Prior to meeting, the Controller or appropriate individual shall (i) review applicable Disclosure Forms to identify potential conflicts relating to that meeting’s agenda and (ii) bring any conflicts to the attention of the affected Representative and the Chair of the applicable board or committee.

B. Third Parties. Staff shall evaluate any Third Parties prior to engagement for the purpose of identifying any conflicts of interest. Third Parties shall be provided with a copy of this policy upon engagement. Third Parties shall be asked to document the nature of any conflicts of interest or shall attest to their absence. If a conflict of interest exists or is possible, Staff should consult their appropriate manager.

C. Disclosure. A copy of this policy shall be provided to any new employees of the Foundation upon hiring. This policy shall be available to any Representatives. The Board of the Foundation should review this policy with its members periodically.

2. Irreconcilable Conflicts. Certain conflicts of interest cannot be managed or reconciled (by disclosure or other methods). The actions or involvement of a Representative which lead to an irreconcilable conflict are always prohibited. Examples of actions or relationships that would be prohibited are listed in Appendix A.

3. Manageable Conflicts. Other conflicts of interest may be managed through disclosure, recusal or other actions that limit the possible risks associated with the conflict. Examples of manageable conflicts are listed in Appendix A. When situations arise that lead to a manageable conflict, the Representative shall disclose the conflict and additional actions may be required.

A. Disclosure. When a conflict of interest arises, the affected Representative shall immediately call such conflict to the attention of his or her supervisor or the applicable Chair. This disclosure is required regardless of whether a conflict has previously been disclosed (such as in an annual Disclosure Form) and if there is uncertainty about the situation. If another volunteer or employee is aware of a conflict of interest not disclosed by the affected Representative, such other person shall call attention to the conflict. The disclosure must describe the conflict in detail sufficient to determine whether a conflict exists and the necessary response. Disclosure of conflicts shall be made in writing or noted in the minutes or record of the applicable meeting.

B. Recusal. If a conflict of interest does exist, the affected Representative shall voluntarily recuse himself or herself from participating in any decision concerning the matter related to the conflict. The Representative, if appropriate, may request an opportunity to provide factual information and to comment upon the related issue prior to a vote on the matter, but may not cast a vote. The applicable Chair, in his/her discretion, may require the Representative to leave the room prior to a final discussion and during the vote, or even during the entire discussion and vote.

C. Refusal by the Representative to Recuse. If a conflict of interest has been disclosed but the Representative declines to voluntarily recuse himself or herself, or in situations where the Representative does not believe the situation presents a conflict of interest, the applicable Chair, (i) may make a determination of whether a conflict exists which would require recusal, subject to overrule by the full board or committee upon motion by any member thereof; or (ii) may refer the decision to the full board or
committee directly. In either instance, the board or committee shall consider and vote on whether there is a conflict requiring recusal. The Representative shall recuse himself or herself from this deliberation and vote after providing relevant information.

D. Restricted Acts by Staff. Upon disclosure of an employee’s conflict, his/her supervisor may require that the employee no longer take part in the Foundation action related to the conflict or may request that the employee no longer take part in the relationship or activity giving rise to the conflict. For examples, refer to Appendix A. The affected employee may request that appropriate management staff and/or the Human Resources department review and address the employee’s conflict.

V. Consequences of Noncompliance:

In any instance in which the procedures for identifying and managing conflicts of interest set forth in this policy are not followed, the Foundation Chair, the President of the Foundation, or either’s designee shall review the facts and may take any appropriate remedial action, including but not limited to revocation, rescission or termination of a contract, return of monies, reconsideration of decision, and censure or removal of the Representative involved for cause, in accordance with the Foundation’s Bylaws, Code of Ethics, and other applicable policies.
APPENDIX A

EXAMPLES OF CONFLICTS OF INTEREST

I. Prohibited Acts and Conflicts

Although this is not an all-inclusive list, the following are examples of situations that are prohibited at any time:

1. Misappropriation: No Representative or Associate shall make use of the Foundation’s assets or facilities for any private business or consulting for which the Representative is compensated by a Third Party or use those assets or facilities in a manner outside the scope of his or her relationship with the Foundation.

2. Receipt of gifts, entertainment or other favors: No Representative or any Associate shall solicit or accept gifts, cash, travel or lodging, unreasonable entertainment, loans or any other gifts or favors except as permitted by the Foundation’s Gifts and Gratuities Policy.

3. Gifts or entertainment: Foundation funds or other assets shall not be used for improper payments to those doing or seeking to do business with the Foundation. This prohibition covers direct payments or indirect payments through third parties, and reimbursement of Representatives for improper payments by them. However, Representatives may give gifts to or entertain others at Foundation expense if such gifts, favors or entertainment are of limited value and consistent with accepted practices and are not in contravention of applicable law.

4. Conflicting outside employment: Representatives who are Foundation employees shall not engage in outside employment which conflicts with their work, scheduled hours or performance of Foundation assignments. If there is uncertainty about a potential conflict, before a Representative accepts employment with any organization or any person with which the Foundation does business, that Representative shall submit in writing a description of the work assignment, the remuneration and expected duration of the work assignment to the responsible staff person or the Board or an appropriate Committee thereof, who will decide if there is a conflict of interest by responding in writing to the Representative. Foundation staff must disclose to appropriate management staff any external employment prior to its engagement. Management shall address these matters with staff on an individual basis.

5. Wrongful Disclosure: Representatives shall not disclose of any of the Foundation’s documents or records to anyone outside the Foundation, and specifically not to any person or entity with a conflicting relationship to the Foundation. Maintaining the confidentiality of program participants, and donors is critically important to maintaining the Foundation’s trust with its constituents. Additionally, payroll and benefit information, financial records, and Board minutes can only be disclosed if specifically authorized by the Executive Level of the Foundation and in conformance with legal and consent requirements.
6. Personal Gain. Representatives shall take no action on behalf of the Foundation that results in a Personal Gain for the Representative or his/her associate. Further, the Personal Gain which would give rise to an impermissible conflict could be directly or indirectly caused by the action or decision of the Foundation, and may occur immediately or in the future.

II. Conflicts Requiring Disclosure, Recusal or Other Actions

Although this is not an all-inclusive list, the following are examples of situations that require disclosure, and perhaps recusal by the Representative from consideration:

1. Nepotism: Representatives shall not participate in any decision involving the hiring, promoting, or terminating employment of a relative. Representatives shall not supervise an employee who is a relative or other Associate.

2. Financial Interests: Representatives shall not participate in any decision-making process related to any personal, managerial or financial interest of the Representatives or the Representatives’ Affiliates. These interests include:
   (a) Situations where the Representative’s Affiliate is an organization that has the Foundation as a customer.
   (b) Situations where the Representative’s Affiliate is a customer of the Foundation.
   (c) The negotiation or bid process of any contracts the Foundation may enter into with the Representative’s Affiliate.
   (d) Situations where the Foundation’s actions or the decisions taken by the Foundation affect the personal, managerial or financial interest of the Representative’s Affiliate indirectly, such as a decision affecting a competitor of Representative’s Affiliate.

3. Honors and Fees: Representatives should not take any actions affecting vendors or organizations that have given or paid the Representative or his or her Associate fees, honoraria or part-time employment in a manner that a reasonable person would expect to impair or appear to impair the Representative’s independence of judgment or the performance of duties. Representatives shall also disclose and recuse themselves from participating in decisions affecting such vendors or organizations.

4. Grants and Funding: A Representative or Associate who is a current recipient or has an application pending for a Foundation grant shall not take any actions on behalf of the organization and shall disclose and recuse himself or herself from participating in any decisions related to grants and funding. So, for example, if an individual is employed by an institution that is the recipient of Foundation grants, and is asked in their capacity as a volunteer for the Foundation to take an action (i) that directly involves the grant application of the individual’s employer; or (ii) that may influence the future availability of such grants to institutions such as the individual’s employer, the individual would have a conflict of interest. In the case of (i), the individual has a real conflict of interest. In the case of (ii), the individual at least has a perceived conflict of interest. Such individual should not participate in decisions regarding those grants or directly competitive applications.
5. Mission Conflicts: A Representative who is employed by an organization or company with a mission or commercial interest that competes or conflicts with the Foundation’s mission should take no action on behalf of the Foundation relating to such organization or company and shall disclose and recuse himself or herself from participating in any decision related to such competing organization or company. Similarly, a Representative or Associate who serves as a volunteer for another non-profit organization with a mission that competes or conflicts with the Foundation’s mission should take no action on behalf of the Foundation and should disclose and recuse himself or herself from participating in any decisions relating to the competing non-profit.

6. Staff Activities: If an employee’s job duties require him or her to act on behalf of the Foundation in a manner that conflicts with a personal or business relationship, the employee should discuss such conflict of interest with his or her supervisor. The supervisor may require that the employee no longer take part in tasks that conflict with his or her personal or business relationships. For example, if an employee is reviewing bids in a vendor selection process, and the employee’s spouse is one of the bidding companies, a conflict of interest would arise. The employee’s supervisor may then assign the employee to other tasks so that the employee is not reviewing his or her spouse’s company. In certain cases, an employee’s outside relationships could present an irreconcilable conflict of interest for the essential job duties of the employee at the Foundation. In such cases, senior management and Human Resources should be involved in determining the proper manner of handling the situation.
ARMSTRONG STATE UNIVERSITY FOUNDATION, INC.
CONFLICT OF INTEREST DISCLOSURE FORM
(VOLUNTEER)

This form is required of all “Representatives,” as defined in the Armstrong State University Foundation’s Conflict of Interest Policy.

Name: ___________________________________________
(Please print)

1. Are you or any of your immediate family employed by or affiliated with any vendor, purchaser, supplier, or service provider to the Armstrong State University Foundation, Inc.? If so, please list the names of those businesses.

2. Are you, any of your immediate family, or any firm with which you or a member of your immediate family are employed by, have a significant ownership interest in, or otherwise affiliated with compensated for goods or services provided to the Armstrong State University Foundation, Inc. (excluding reimbursement for out-of-pocket business expenses)? If so, please describe below the type of goods or services and amount of fees or compensation received during the prior 12 months.

3. Are you, any of your immediate family, or any institution with which you or a member of your immediate family are employed by or affiliated with applying for or receiving grant funding from the Armstrong State University Foundation, Inc.? If so, please list below the institutions and nature of the affiliation or details of your relationship.

(Continues)
4. Are you or any of your immediate family the investigator for or recipient of any grant awarded by the Armstrong State University Foundation, Inc.? If so, please describe below the nature, amount and term of the grant(s).

5. Are you a member of the governing board of any other not-for-profit or for-profit organization? If so, please identify the organization(s).

6. Do you receive monetary compensation for providing any editorial or advisory services to the Foundation or its publications? If so, please explain the nature and annual amount of compensation.

7. Are you familiar with the Foundation’s Conflict of Interest Policy, including your responsibility to recuse yourself from voting on any committee or board action which would create a conflict of interest for you and the Foundation?

8. Are you currently serving or do you anticipate serving as an elected or appointed government official? If so, please provide details.

I have reviewed the Conflict of Interest Policy of the Armstrong State University Foundation, Inc. and agree to abide by the terms of that policy.

__________________________________________
Signature

__________________________________________
Date
ARMSTRONG STATE UNIVERSITY FOUNDATION, INC.
CONFLICT OF INTEREST DISCLOSURE FORM
(STAFF MEMBER)

Name: ___________________________________________
(Please print)

1. Are you or any of your immediate family employed by or affiliated with any vendor, purchaser, supplier or service provider to the Armstrong State University Foundation, Inc.? If so, please list the names of those businesses.

2. Are you, any of your immediate family, or any firm with which you or a member of your immediate family are employed by, have a significant ownership interest in, or otherwise affiliated with, compensated for goods or services provided to the Armstrong State University Foundation, Inc. (excluding reimbursement for out-of-pocket business expenses)? If so, please describe below the type of goods or services and amount of fees or compensation received during the prior 12 months.

3. Are you, any of your immediate family, or any institution with which you or a member of your immediate family are employed by or affiliated with applying for or receiving grant funding from the Armstrong State University Foundation, Inc.? If so, please list below the institutions and nature of the affiliation or details of your relationship.

(Continues)
4. Are you employed by any other business or organization which pays you a cash wage or other form of compensation? If so, please provide details.

5. Are you a volunteer member of the governing board of any not-for-profit or for-profit organization? If so, please provide details.

6. Are you currently serving or do you anticipate serving as an elected or appointed government official? If so, please provide details.

7. Are you familiar with the Foundation’s Conflict of Interest Policy including your responsibility to recuse yourself from voting on any committee or board action which would create a potential conflict of interest for you and the Foundation?

I have reviewed the Conflict of Interest Policy of the Armstrong State University Foundation, Inc. and agree to abide by the terms of that policy.

__________________________________________
Signature

__________________________________________
Date