



UNIVERSITY OF
MARYLAND
COLLEGE PARK
FOUNDATION

**CONFLICT OF INTEREST POLICY
FOR TRUSTEES AND ADMINISTRATIVE OFFICERS**

Scope

The following statement of policy applies to each member of the Board of Trustees (the “Board”) and to Administrative Officers of the University of Maryland College Park Foundation, Inc. (the “Foundation”). It is intended to serve as guidance for all persons volunteering for or employed by the Foundation with governing board delegated powers including presidents, vice presidents and Trustees¹ (including ex officio, advisory, emeritus and honorary trustees).

Fiduciary Responsibilities

Trustees, Administrative Officers and employees of the Foundation serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board and Administrative Officers are to be made solely on the basis of a desire to promote the best interests of the Foundation recognizing that the Foundation’s integrity and the donors’ interests must be protected and advanced at all times.

The Foundation understands that persons involved in the governance of the Foundation will inevitably be involved in the affairs of other institutions and organizations. An effective board and administration cannot consist of individuals entirely free from at least perceived conflicts of interest. Although most such perceived conflicts that arise will be deemed to be inconsequential, it is everyone’s responsibility to ensure that the Board is made aware of situations that involve personal, familial, or business relations that could be troublesome for the Foundation. Thus, the Foundation requires Trustees and Administrative Officers, upon joining the Board and annually thereafter, (1) to review this policy; (2) to disclose in writing any possible personal, familial, board or business relationships that reasonably could give rise to an actual or potential conflict involving the Foundation and the University of Maryland College Park (the “University”); and (3) to acknowledge by signature that they are in compliance with the letter and spirit of this policy. In addition, if an actual or potential conflict arises during the course of the year that would have required disclosure, the Trustee or Administrative Officer will be required to promptly, and in no case more than 30 days from obtaining knowledge of such actual or potential conflict, disclose in writing to an Administrative Officer.

Disclosure

All Trustees and Administrative Officers shall annually disclose on the Disclosure Form those relationships that they maintain (or members of their immediate families maintain) with organizations that do business with the Foundation and/or the University or otherwise could be

construed to potentially affect their independent unbiased judgment in light of their decision-making authority or responsibility. In the event a Trustee or Administrative Officer is uncertain as to the appropriateness of listing a particular relationship, the Trustee or Administrative Officer should consult the Foundation President. The Foundation President, in turn, may elect to consult with legal counsel, the Executive Committee or the Board in executive session. Such information, including information provided on the form, shall be held in confidence except when, after consultation with the disclosing Trustee or Administrative Officer, the Foundation's best interests would be served by disclosure. The following definitions are provided to help Trustees and Administrative Officers decide whether a relationship should be listed on the Conflict of Interest Disclosure Form for Trustees and Administrative Officers.

Definitions

Business Relationship: One in which a Trustee, Administrative Officer, or a member of the Trustee's or Administrative Officer's family, serves as an officer, director, employee, partner, trustee or controlling stockholder of an organization that does substantial business with the Foundation or the University.

Substantial Benefits: When a Trustee, Administrative Officer, or a member of the Trustee's or Administrative Officer's family has (1) an ownership or investment interest greater than 5% in any non-publicly traded entity with which the Foundation has a transaction or arrangement; (2) a material compensation arrangement with any entity or individual with which the Foundation has a transaction or arrangement; or (3) a potential ownership or investment interest which exceeds 5% in, or material compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement. For purposes of this Policy, the term "family" includes an individual's spouse, parents, parents -in-law, grandparents, grandparents-in-law, children, grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, and siblings.

In addition, Trustees and Administrative Officers should note that the definitions above are provided only for guidance, and should not be considered the only situations in which a conflict could possibly exist. For example, the service of a Trustee or Administrative Officer on the board of another organization could present a potential conflict if the interests of such organization are, or are potentially, in conflict with the interests of the Foundation or the University. The Trustees and Administrative Officers should exercise their reasonable judgment in determining whether any circumstances exist, in addition to the existence of a business relationship or substantial benefit, that could present a potential conflict and that should therefore be disclosed.

Procedures for Addressing Conflicts of Interest

A Trustee or Administrative Officer who has disclosed or been found to have a conflict of interest shall leave the meeting and not be permitted to join discussion or vote with respect to issues related to the transaction or arrangement that results in the conflict of interest, except to the extent allowed by and in accordance with the provisions of Annotated Code of Maryland, Corporations and Associations, Section 2-419.

- a. The chair of the committee considering the proposed transaction or arrangement, shall, if appropriate, appoint a disinterested person or sub-committee to investigate alternatives to such transaction or arrangement.
- b. After exercising due diligence, the committee shall determine whether the Foundation can, with reasonable efforts, obtain an equal or more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- c. If an equal or more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the committee will make a recommendation to the Executive Committee whose members shall determine by a majority vote of the disinterested Trustees in attendance whether the transaction or arrangement is in the Foundation's best interest and whether to enter into such transaction or arrangement despite the conflict of interest.

Violations

If the Board or committee has reasonable cause to believe that a Trustee or Administrative Officer has failed to disclose actual or possible conflicts of interest, it shall inform the Trustee or Administrative Officer of the basis for such belief and afford the Trustee or Administrative Officer an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Trustee or Administrative Officer and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Trustee or Administrative Officer has failed to disclose an actual or possible conflict of interest, the matter should be referred to the Chair of the Board for appropriate disciplinary and corrective action in accordance with Foundation Bylaws.

Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

- a. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Periodic Review

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Use of Outside Experts

When conducting the periodic reviews as provided above, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Conflict of Interest Disclosure Form for Trustees and Administrative Officers

Please complete this form electronically using Adobe Sign.

If you'd prefer to print and complete the form, please return it to:

Kristen Coffey, Assistant Program Director for Trustee Engagement and Board Operations |
kncoffey@umd.edu

Please complete the following and return this form. Should you need more space, please attach additional sheets.

1. Are you aware of any relationships with the University of Maryland College Park Foundation, Inc. and/or the University of Maryland College Park between yourself or a member of your family as defined by the letter or spirit of this policy that may represent a conflict of interest?

Yes

No

If yes, please list the names and roles below as well as why you feel as though there may be a conflict.

2. Did you or a member of your family receive, during the past 12 months, any gifts or loans from any source from which the UMCP Foundation buys goods or services or otherwise has significant business dealings?

Yes

No

If yes, please describe the nature of the loans or gifts, their source, and their approximate value or the business relationship.

3. Please list all organizations where you serve as an officer, director, employee, partner, trustee or stockholder (investments greater than 5%).

I certify that I have read and understand the University of Maryland College Park Foundation's Conflict of Interest policy, and that the foregoing information is true and complete to the best of my knowledge.

Name: _____

Address: _____

Signature: _____ Date: _____

University Official

UMCPF Official

Name: _____

Name: _____

Signature: _____

Signature: _____