

KENTUCKY STATE UNIVERSITY CONFLICT OF INTEREST

INTRODUCTION

The KSU Foundation insists that all of its staff members and Trustees exhibit the highest level of ethical conduct in conducting their day-to-day business with vendors, staff members or professional organizations.

A. PURPOSE

To provide staff members and Trustees with guidelines relating to what is and what is not acceptable behavior with respect to ethical conduct in dealing with staff members, vendors, professional associations and other outside groups. All staff members must avoid activities or relationships that conflict with the Foundation's interests or adversely affect the Foundation's reputation. The types of activities and relationships staff members must avoid include, but are not limited to:

1. Accepting or soliciting a gift, favor, or service that is intended to, or might appear to, influence the staff member's decision-making or professional conduct;
2. Accepting, agreeing to accept, or soliciting money or other tangible or intangible benefit in exchange for the staff member's favorable decisions or actions in the performance of his or her job;
3. Accepting employment or compensation or engaging in any business or professional activity that might require disclosure of the Foundation's business operation;
4. Accepting employment or compensation that could reasonably be expected to impair the individual's independent judgment in the performance of official duties;
5. Making personal investments that are contrary to the Foundation's interests.

Staff members and Trustees must disclose actual or potential conflicts as soon as they become aware of them. Failure to make required disclosures or resolve conflicts of interest satisfactorily can result in discipline, up to and including termination of employment or removal from the Board of Trustees.

B. SCOPE

1. General Guidelines

- a These guidelines apply to all staff members and Trustees.
- b Staff members and Trustees must not engage in any activities, transactions, or relationships that are incompatible with the impartial, objective, and effective performance of their duties. Examples of matters and relationships that could create a conflict of interest or a potential conflict, include, but are not limited to, when an staff member or a member of their immediate family:
 - i. Accepts or solicits a gift, favor, or service from an individual, business or other party involved, or potentially involved, in a contract or transaction with the Foundation;

- ii. Accepts, agrees to accept or solicits money or other tangible or intangible benefit in exchange for the exercise of official powers or the performance of official responsibilities;
- iii. Accepts employment or compensation or engages in any business or professional activity that might require disclosure of the Foundation's confidential information;
- iv. Accepts other employment or compensation that could reasonably be expected to impair the individual's independence of judgment in the performance of official duties; or
- v. Makes personal investments that are contrary to the Foundation's interests.

C. PROCEDURES

1. Permitted Investments

Staff members must avoid any investments in the businesses of the Foundation's donors, suppliers or vendors that could cause divided loyalty, or even the appearance of divided loyalty.

Staff members and Trustees who have investments in the businesses of donors, suppliers, or competitors or who plan to make such investments must file a Conflict of Interest Disclosure Form. As a general rule, an staff member's investment in securities traded on a recognized stock exchange does not create a conflict of interest as long as the securities are purchased on the same terms and with the same information available to the general public.

2. Commencement of Employment

Staff members and Trustees are required to inform the Executive Secretary as soon as they have knowledge of a Foundation transaction or proposed transaction with an outside individual, business, or other organization that would create a conflict of interest or the appearance of one. Specifically, the staff member and Trustee is required to disclose any:

- a Remuneration to the staff member or Trustee, or to an immediate family member, received from the individual/organization;
- b Investments or ownership interests the staff member or Trustee or an immediate family member has in the outside organization;
- c Offices or positions the staff member or Trustee or an immediate family member holds in the outside organization; and
- d Other relationships with the individual/organization that actually or potentially create a conflict of interest.

All disclosures required under this policy must be directed in writing to the Executive Secretary. The Executive Secretary will promptly review the disclosure and determines which interests are in conflict and which, if any, can be resolved.

All staff members who purchase goods or services for KSU must complete and file an annual Conflict of Interest Disclosure Form.

3. Confidentiality

To encourage the full disclosure of potential conflicts, disclosures are treated confidentially. Information provided on Conflict of Interest Disclosure Forms is available only on a need-to-know basis.

4. Withdrawal from Decisions

Staff members and Trustees are prohibited from exercising decision-making authority or exerting influence concerning any organization or transaction in which they or a family member have a personal interest. Staff members and Trustees must disclose such interest by filing a Conflict of Interest Disclosure Form with the Executive Secretary and have that individual approve any arrangement for resolving the conflict—including the staff member's withdrawal from decision-making in the matter.

5. Misuse of Information

No staff member or Trustee of the Foundation shall, for personal gain or for the gain of others, use any information not available to the public that was obtained as a result of service to the Foundation. No staff member shall personally exploit any business opportunity in which the staff member knows or reasonably should know the Foundation is or would be interested, unless the Foundation first consents thereto in writing.

6. Gifts and Favors

No staff member or Trustee shall solicit or accept for personal use, or for the use of others, any gift, favor, loan, gratuity, reward, promise of future employment, or any other thing of monetary value that might influence or appear to influence the judgment or conduct of the staff member in the performance of his or her job.

Staff members and Trustees can accept occasional unsolicited courtesy gifts or favors (such as business lunches, tickets to sporting events, or holiday baskets) as long as the gifts or favors have a market value under \$25, are customary in the industry, and do not influence or appear to influence the judgment or conduct of the staff member or Trustee in the Foundation's business. A staff member or Trustee can be exempted from the restrictions in this paragraph by the Executive Secretary as to a specified gift or favor. The exemption must be in writing and include sufficient justification. Individual administrative units within the Foundation can impose further restrictions on gifts or favors for staff members within the unit.

7. Work with Professional Organizations/ Associations

A staff member's or Trustee's work with or for an outside professional organization or association does not create a conflict of interest if such work

- a Is related to the legitimate professional interest and development of the staff member;
- b Does not interfere with the regular duties of the staff member or Trustee;
- c Does not compete with the work of the Foundation and is not otherwise contrary to the best interests of the Foundation; and
- d Does not violate any state or federal laws.

8. Reporting Suspected Violations

Alleged violations of this policy and the basis for the allegations shall be communicated confidentially and preferably (but not necessarily) in writing to the Executive Secretary.

Measures must be taken to ensure that no adverse action is taken, either directly or indirectly, against a complainant who makes allegations in good faith.

9. Discipline

Engaging in any activity, transaction, or relationship that is adverse to the Foundation's interests or failing to make disclosures required by this policy can result in immediate discipline, up to and including termination of employment or removal from the Board of Trustees. The KSU Foundation can discipline a staff member or Trustee immediately when the Foundation has knowledge that the staff member or Trustee has engaged in activity prohibited by this policy. The Foundation's exercise of such discipline does not depend on the disclosure process outlined in this policy.