



**THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION  
Conflict of Interest Policy Signature Page**

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The University of Southern Mississippi Foundation (the “Foundation”) has adopted a Conflict of Interest Policy (the “Policy”) as referenced in Article VIII, Section 4, of the Foundation bylaws

Each year, each member of the Board and each member of every committee, subcommittee and council shall sign a written statement certifying to all of the following:

The undersigned certifies the following statements:

- (i) I have received a copy of this Policy;
- (ii) I have read and understand this Policy;
- (iii) I agree to comply with this Policy;
- (iv) I understand that this Policy applies to all committees and subcommittees having board-delegated powers; and
- (v) I understand that the Foundation is a nonprofit organization, and that, in order to maintain the tax-exempt status of the Foundation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Foundation must continuously engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The Foundation staff shall provide each member of the Board and of each committee, subcommittee and council a copy of this statement for signature prior to or at the first meeting of the year of the Board or of any committee, subcommittee or council. Any member of the Board or of a committee, subcommittee or council who refuses or fails to sign such a statement shall be prohibited from participating in discussion or action by the Board or any committee, subcommittee or council until such statement is signed.

Electronic signatures and signed statements returned via facsimile are acceptable.

READ, UNDERSTOOD, and AGREED:

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Position**

# THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION

## CONFLICT OF INTEREST POLICY

**Section 1. Purpose.** The purpose of the conflict of interest policy is to protect the Foundation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director, or non-director committee, subcommittee or council member of the Foundation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

### **Section 2. Definitions.**

A. Interested Person. Any Director, principal Officer or member of a committee, subcommittee or council with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (a) an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement, or
- (b) a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors. A financial interest is not necessarily a conflict of interest. Under Section 3.B of this Article, a person who has a financial interest may have a conflict of interest only if the Board or appropriate committee, subcommittee or council decides that a conflict of interest exists.

### **Section 3. Procedures.**

A. Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the Board of Directors and/or members of the committee, subcommittee or council with Board delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board, committee, subcommittee or council meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board, committee, subcommittee or council members shall decide if a conflict of interest exists; provided, however, if the interested person believes a conflict of interest exists, the Board, committee, subcommittee or council shall be guided by the belief of the interested person in reaching its decision.

C. Procedures for Addressing the Conflict of Interest. The following procedure shall apply with respect to the approval of a proposed transaction or arrangement that has been determined to be a conflict of interest by the Board, committee, subcommittee or council:

- (a) An interested person may make a presentation at the Board, committee, subcommittee or council meeting, but after such presentation, he/she must leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- (b) The chair of the Board, committee, subcommittee or council shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Board, committee, subcommittee or council shall determine whether the Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board, committee, subcommittee or council shall determine, by a majority vote of the disinterested Directors, committee, subcommittee or council members whether the transaction or arrangement is in the Foundation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Foundation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

D. Violations of the Conflicts of Interest Policy.

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

(b) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board, committee, subcommittee or council determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Section 4. Records of Proceedings.** The minutes of the Board and all committees, subcommittees or councils with Board-delegated powers shall contain:

(a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the decisions of the Board, committee, subcommittee or council as to whether a conflict of interest in fact existed.

(b) the names of the persons who were present for discussions or votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

**Section 5. Periodic Reviews.** To ensure that the Foundation operates in a manner consistent with its purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, annual reviews of all transactions with interested persons shall be conducted. A report of such annual review shall be made to the Board and reflected in the minutes of the Board.

**Section 6. Use of Outside Experts.** In conducting the reviews provided for in Section 5, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that reviews are conducted.