

GEORGIA STATE UNIVERSITY FOUNDATION, INC.

Policy number/name: 1.2 Conflict-of-Interest Policy

Issuing date: June 10, 2009 **Effective date:** June 23, 2010

Policy approved by: Board of Trustees

Governance oversight by: Nominating & Governance Committee

I. Revision history

Revision June 23, 2010

II. Purpose

The Georgia State University Foundation (Foundation) is a nonprofit, tax exempt organization. The purpose of the conflict of interest policy is to protect the Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a "Responsible Person", which is defined below.

III. Responsible Person

The term "Responsible Person" includes members of the Foundation board, officers, committees, management and key employees of the Foundation or Georgia State University (University) who are in a position to influence the actions of the Foundation, collectively referred to as Responsible Persons.

III. Fiduciary Responsibilities

All Responsible Persons have a fiduciary responsibility for the decisions they make with regard to the Foundation including: avoiding conflicts of interest; acting in the best interest of the Foundation rather than in pursuit of a personal interest; providing oversight to assure all Foundation business is transacted legally; and promoting the best interests of the Foundation and the University at all times.

The fiduciary responsibilities of all Responsible Persons prevent any such person from pursuing any interest that may lead such person "to advance an initiative that is incompatible with the Responsible Person's duty to the Foundation" or undertake any steps "to achieve personal gain, or gain to family, friends or associates, by apparent use of" his or her role. (Association of Governing Boards)

IV. Interested Person

A Responsible Person, who has a direct or indirect financial interest, as defined below, thereby becomes an “interested person” whose conduct is governed under the relevant provisions of this policy.

V. Financial Interest

A Responsible Person has a “financial interest” if the person has, directly or indirectly, through an entity (section VI), or family (section VII):

1. An ownership or investment interest in any entity with which the Foundation or University has a transaction or arrangement totaling \$10,000 or more annually,
2. A compensation arrangement with the Foundation or with any entity or individual, with which the Foundation has a transaction or arrangement totaling \$10,000 or more annually,
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation or University is negotiating a transaction or arrangement totaling \$10,000 or more annually, or
4. Received personal gifts or favors valued at more than \$100 annually from suppliers or others associated with or seeking association with the Foundation.

A contribution or gift commitment made to the Foundation is not considered a transaction or arrangement under this policy.

A financial interest is not necessarily a conflict of interest. A Responsible Person who has a financial interest may have a conflict of interest only if the board or the appropriate board committee decides that a conflict of interest exists.

VI. Entity

1. An entity more than 35% owned, directly or indirectly, individually or collectively, by one or more current or former Responsible Persons, or their family members.
2. An entity of which a Responsible Person was serving at the time of the transaction or arrangement as:
 - a. an officer,
 - b. a director,
 - c. a trustee,
 - d. a key employee,
 - e. a partner or member with a direct or indirect ownership interest in excess of 5% (including ownership by a family member) if the entity is treated as a partnership, or
 - f. a shareholder with an ownership interest in excess of 5% (including ownership by a family member) if the entity is a professional corporation.

VII. Family

Family includes spouse, domestic partner, parents, siblings, children, and members of the Responsible Person's household.

VIII. Duty to Disclose

Annually, each Responsible Person will complete and file with the Nominating and Governance Committee of the Foundation Board of Trustees, a Conflict of Interest Disclosure Statement disclosing or identifying any relationships, positions or circumstances in which he or she is involved that he or she believes could contribute to an actual or possible conflict of interest or which otherwise could be construed potentially to affect their independent, unbiased judgment in light of their decision-making authority or responsibility.

In the interim, between such annual filings, disclosure should be made to the chair of the Nominating and Governance Committee. If the chair of the Nominating and Governance Committee needs to disclose a possible conflict, the disclosure is made to chair of the Board of Trustees.

In connection with any actual or possible conflict of interest in a proposed transaction or arrangement, an interested person must disclose the existence of the financial interest as well as to disclose all material facts to the trustees and members of the board or committee considering the proposed transaction or arrangement. All such statements should be provided to the Nominating and Governance Committee.

Information disclosed or provided by any person pursuant to this policy shall be held in confidence except when, after consultation with that person, the best interests of the Foundation or the University would be served by disclosure.

IX. 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, the Nominating and Governance Committee shall determine if an actual or apparent conflict of interest exists. The Nominating and Governance Committee, in consultation with the chair of the Foundation Board of Trustees, may refer the entire matter to the Executive Committee or the Foundation Board of Trustees.

X. Restraint on Participation

A Responsible Person who has declared or has been found to have an actual or apparent conflict of interest shall be asked to refrain from participating in or attending the discussion and consideration of proposed transactions or matters involving the conflicted Responsible Person.

The conflicted Responsible Person shall not vote and shall not be present at the time of the vote on the proposed transaction or matter.

If it is determined that it would significantly serve the interest of the board or committee considering the transaction or matter to have the conflicted Responsible Person explain issues or answer questions, the board or committee may consider whether to invite the Responsible Person for that limited purpose. Any such invitation should be recorded in the minutes of the meeting.

It may be determined on a case-by-case basis that further action may be warranted to resolve the potential conflict including but not limited to asking the Responsible Person to resign from a specific foundation committee or to cease conducting such activities, which result in the conflict. The Chair of the Nominating & Governance Committee and the President of the Foundation shall be responsible for discussing the matter with the Responsible Person and implementing the resolution process.

XI. Violations of the Conflict of Interest Policy

1. If the board or committee has reasonable cause to believe a Responsible Person has failed to disclose actual or possible conflicts of interest, it shall refer the matter to the Nominating and Governance Committee.
2. If, after hearing the Responsible Person's response and after making any further investigation as warranted by the circumstances, the Nominating and Governance Committee determines the Responsible Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including the request for the Responsible Person's resignation.

XII. Records of Proceedings

The minutes of the board or committee shall contain:

1. 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, and any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and 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 with the proceedings.

XIII. Annual Statements

Each Responsible Person shall annually sign a Conflict of Interest Disclosure Statement which affirms such person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy,

3. Has agreed to comply with the policy, and to disclose any possible personal, familial, or business relationships that reasonably could give rise to a conflict of interest involving Foundation or University.

4. Understands the Foundation is a charitable entity and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purpose.

In the event a Responsible Person becomes aware of any information that might indicate that their disclosure is inaccurate or that they believe they have not complied with this policy, the Responsible Person will discuss the noncompliance with the chair of the Nominating and Governance Committee who will then decide how to proceed.

**GEORGIA STATE UNIVERSITY FOUNDATION
CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Responsible Person: (please print) _____

Capacity (check all that apply):

Board of Trustees: ___ Yes, ___ No.

Committee member: ___ Yes, ___ No. If yes, committee name: _____

Foundation staff: ___ Yes, ___ No. If yes, title: _____

University staff: ___ Yes, ___ No. If yes, title: _____

This statement of disclosure requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include: entities, as defined in Section VI; family, as defined in Section VII; and trusts or other estates in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. Have you or any of your affiliated persons provided services or property to the Georgia State University Foundation (Foundation) or to Georgia State University (University) in the past year? (Do not consider donations, gift commitments, or service as a Foundation board or committee member for this purpose)

_____ Yes _____ No

1. Have you or any of your affiliated person purchased services or property from the Foundation or University in the past year?

_____ Yes _____ No

Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which the Foundation or University was or is a party.

_____ Yes _____ No

1. Were you or any of your affiliated persons indebted to pay money to the Foundation or University at any time in the past year? (Do not consider outstanding pledges to be indebted for this purpose.)

_____ Yes _____ No

1. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from the Foundation as a result of your relationship with the Foundation or University, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to the Foundation? (Do not include payments received as a result of a charitable remainder trust agreement or gift annuity.)

_____ Yes _____ No

1. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving the Foundation or University?

_____ Yes _____ No

1. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by the Foundation's Nominating and Governance Committee in accordance with the terms and intent of the Foundation's conflict of interest policy?

_____ Yes _____ No

If your answer to any of the questions above is yes, please provide additional detail information in the space below:

I HEREBY CONFIRM that I have read and understand the Foundation's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the appropriate person designated within the Foundation's conflict of interest policy immediately.

Confidentiality Statement

I acknowledge that, as Responsible Person of Foundation, I have access to confidential information belonging to the Foundation that is not available to the general public, including but not limited to personal and financial information. I further acknowledge that the Foundation at all times is and will remain the owner of the confidential information and, as part of my duty of loyalty to the Foundation, I agree to preserve the confidentiality of all such confidential information and to use such confidential information only for legitimate Foundation business purposes consistent with the manner in which the Foundation uses and protects such confidential information.

I certify that I have not used, and will not use, the confidential information for my own or any affiliated person's benefit and that I have not disclosed, and will not disclose, the confidential information to any third party, including other charitable organizations, except for legitimate Foundation business purposes, or as otherwise required by law, without the prior consent of the Foundation.

Signature

Date