

**CONFLICT-OF-INTEREST POLICY  
FOR  
DIRECTORS AND FOUNDATION OFFICERS  
INDIANA STATE UNIVERSITY FOUNDATION, INC.**

**1. SCOPE.** The following statement of policy applies to each member of the board and to all officers of the Indiana State University Foundation. It is intended to serve as guidance for all volunteer directors and persons employed by the Foundation in positions of significant responsibility.

**2. RESPONSIBILITIES.** Members of the board, officers, and employees of the Foundation serve the University's interest and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the board and officers are to be made solely on the basis of a desire to promote the best interests of the Foundation, Indiana State University, and not the personal interest of the board member. The Foundation's and University's integrity must be protected and advanced at all times.

Men and women of substance inevitably are involved in the affairs of other institutions and organizations. An effective board cannot consist of individuals entirely free from at least perceived conflicts of interest. It is the responsibility of each director and officer to ensure that the board is made aware of any and all situations that involve personal, family, or business relationships that could be deemed as a perceived or actual conflict of interest. The board requires each director and Foundation officer annually to (1) review this policy, (2) disclose potential personal, family, or business relationships that could give rise to a conflict of interest with the Foundation or Indiana State University, or which could result in a substantial benefit as a consequence of actions by the Foundation or Indiana State University, and (3) sign an acknowledgement of the policy and agree to conform to its requirements. Each director has an ongoing duty to disclose conflicts of interest or the prospect of substantial benefit.

**3. DISCLOSURE.** All directors and officers are required to list only those substantive relationships that he or she maintains (or members of their family maintain) with organizations that do business with the Foundation or University or otherwise could be construed to potentially affect their independent, unbiased judgment in light of his or her decision-making authority or responsibility. In the event you are uncertain as to the appropriateness of listing a particular relationship, the Chair of the board of directors and/or the Vice Chair of the Foundation should be consulted. They, in turn, may elect to consult with legal counsel, the executive committee, or the board of directors, in executive session. Any information provided for this purpose by a director or officer shall be disclosed only to those individuals deemed to have a need to know and the Foundation will take reasonable measures to see that the information is held in confidence except to the extent of analyzing and determining conflict of interest status and necessary resulting action.

The following definitions are provided to help you decide whether a relationship should be listed on this form:

**Business Relationship:** One in which a director, officer, or a member of his or her family, or business, as defined below serves as an officer, director, employee, partner, trustee, or controlling stockholder of an organization that does substantial business with the University.

**Family Member:** A spouse, parents, siblings, children, or any other relative if the latter resides in the same household as the director or officer.

**Substantial Benefit:** When you or a member of your family (1) are the actual or beneficial owner of more than 5 percent of the voting stock or controlling interest of an organization that does substantial business with the University or (2) have other direct or indirect dealings with such an organization from which you or a member of you family benefits directly, indirectly, or potentially from cash or property receipts totaling \$10,000 or more annually.

**4. RESTRAINT ON PARTICIPATION:** Directors or officers who have declared or been found to have a conflict of interest shall refrain from participating in consideration of proposed transactions involving or relating to the entity creating the conflict, unless for special reasons the board or administration requests information or interpretation. With respect to such transactions, persons with a conflict shall neither vote nor be present at the time of vote.