

# **The Campanile Foundation**

## **Conflict of Interest Policy Statement**

**WHEREAS** a fiduciary relationship exists between The Campanile Foundation ("TCF") and its Directors and Officers (as defined herein), and

**WHEREAS** said fiduciary relationship requires all Directors and Officers to exercise their best skill and independent judgment on behalf, and for the benefit of, TCF in a loyal and faithful manner, and

**WHEREAS** it is in the best interests of TCF and all Directors and Officers to implement and enforce a strict policy prohibiting conflicts of interest between TCF and all Directors and Officers;

**WHEREAS** Title 5 Sections 42401, 42402, 42500 and Education Code Section 89900, 88906 specify the policies and procedures and the sound business practices that are in the best interest of the campus;

**WHEREAS** Section 4.5 of The Campanile Foundation Bylaws defines Financially Interested Directors and prohibited transactions;

**NOW THEREFORE, BE IT RESOLVED** by the TCF Board of Directors that TCF hereby adopts the following policy on Conflicts of Interest reflecting the above principles:

**A. Policy Statement.** All Directors and Officers shall conduct their personal business and private affairs to avoid any potential conflict of interest or appearance of a conflict of interest between themselves, their friends and family and TCF. All Directors and Officers shall take immediate and appropriate action to resolve any conflict of interest, which actually arises or could potentially arise. All Directors and Officers shall report to the Board of Directors any facts or circumstances, which they know, or should know, have resulted or will result in a conflict of interest, or perceived conflict of interest. The Board of Directors shall have ultimate and final responsibility for determining whether a potential or actual conflict of interest exists, and for enforcement of this policy.

**B. Definitions.**

- i. "Directors" means all compensated and uncompensated members of the Board of Directors of TCF.
- ii. "Officers" includes all compensated and uncompensated Officers of TCF.

- iii. "Conflict of Interest" includes all situations where the personal activities and financial affairs of the Director or Officer may adversely influence his or her judgment in the performance of his or her duties for TCF.
- iv. "Conflict of interest" also includes a relationship, transaction, other circumstance that enables, potentially enables, or appears to enable, an individual (or family and friends) to personally benefit from his/her relationship with TCF.
- v. "Conflict of interest" also includes the dissemination of information concerning a transaction that will ultimately become public that would benefit a board member, officer, or his/her friends and family earlier than the general public.

**C. Avoiding Potential Conflicts.** In order to avoid situations which potentially give rise to a conflict of interest, Directors and Officers shall not engage in any of the following activities, except as authorized by a prior, written resolution of the Board of Directors following full disclosure by the affected Director or Officer:

- i. Use their position as a Director or Officer, or any knowledge or information obtained there from, for personal gain;
- ii. Directly or indirectly engage in any activity (whether as director, officer, principal, employee, agent, or consultant) or directly or indirectly own an ownership interest in any entity (whether as a shareholder, member, partner or sole proprietor) which competes with the existing, planned or potential business of TCF;
- iii. Own any ownership interest either directly (whether as a shareholder, member, partner or sole proprietor) or indirectly (whether through an immediate family member, trust or other arrangement) in any entity which supplies goods or services to TCF; provided, however, that stock ownership in a publicly traded corporation shall be permitted if the ownership does not exceed five percent of the outstanding stock of the corporation;
- iv. Accept any gift of goods or services which is intended to, or which may, influence or affect the judgment of the Director or Officer concerning TCF affairs; or
- v. Engage in any other activity, or take any other action not enumerated herein where the interests of the Director or Officer may compete or conflict with the interests of TCF.

Reporting of conflicts to the University [Business & Financial Affairs] will take place as they occur and will include the management plan for handling the conflict.

**D. Conflict of Interest Statement.** Each year the Chair of the Board of Directors ("Chair") shall send to all Directors and Officers, a copy of the Conflict of Interest Policy Statement. All Directors and Officers shall provide a written acknowledgement of the receipt of the policy within 30 days.

**E. Board Options.** The Board of Directors, having the responsibility for the interpretation and enforcement of this policy, is authorized to take whatever action it deems appropriate in its sole discretion to resolve potential or actual conflicts of interest, to resolve appearances of impropriety, and to address intentional or unintentional violations of this policy including, but not limited to:

- i. Prohibiting the affected Director or Officer from participating in any TCF discussions or decisions involving the conflict of interest;
- ii. Modifying or redefining the duties and responsibilities of the affected Director or Officer; or
- iii. Requiring the resignation of the affected Director or Officer.

**F. Effective Date.** This policy shall become effective upon its adoption and will apply to all current and future Directors and Officers. No activity, action or state of affairs of any Director or Officer in existence at the time this policy is adopted shall be considered exempt from, or "Grandfathered," by this policy

Adopted by The Campanile Foundation Board of Directors on November 21, 2002