

## **Conflict of Interest Policy**

**October 30, 2024**

The Board of Trustees of the University System of Georgia Foundation, Inc. (USG Foundation) has adopted the following policy designed to avoid any actual, potential, or perceived conflict between the personal interests of Board members or staff and the interests of the organization. This policy shall apply to the interests, operations and assets of the USG Foundation and any limited liability companies and other entities owned in whole or in part by the USG Foundation (each a USGF Entity). This policy applies to all members of the Board of Trustees and all senior staff members (including, all directors) of all USGF Entities. All such persons must familiarize themselves with and adhere to the principles and rules set out in this policy.

The purpose of this policy is to ensure that decisions about USGF Entity operations and the use or disposition of USGF Entity assets are made solely in terms of the benefits to the USG Foundation and are not influenced by any private profit or other personal benefit to the individuals affiliated with the organization who take part in the decision. In addition to actual conflicts of interest, board members and staff are also obliged to avoid actions that could be perceived or interpreted in conflict with USG Foundation's interest.

Conflicts of interest may occur when a USGF Entity enters into transactions with not-for-profit organizations as well as those that are undertaken with profit-making entities. The best way to deal with this problem is to make known one's connection with organizations doing business with a USGF Entity and to refrain from participation in decisions affecting transactions between the USGF Entity and the other organization. Such relationships do not necessarily restrict transactions so long as the relationship is clearly divulged and non-involved individuals affiliated with the USG Foundation make any necessary decisions.

1. Trustees. Any member of the Board of Trustees (each may be referred to herein as a "Trustee", a "member" or a "member of the board") who may be involved in a USGF Entity business transaction in which there is a possible conflict of interest shall, whether or not the transaction is brought before the Board of Trustees for action, promptly notify the Chair of the Board. The member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The member's presence may not be counted in determining the quorum for any vote with respect to a USGF Entity business transaction in which he or she has a possible conflict of interest. Furthermore, the member, or the Chair in the member's absence, shall disclose a potential conflict of interest to the other members of the Board before any vote on a USGF Entity business transaction and such disclosure shall be recorded in the Board minutes of the meeting at which it is made. Any USGF Entity business transaction that involves a potential conflict of interest with a member of the Board of Trustees shall have terms which are at least as fair and reasonable to the USGF Entity as those which would otherwise be available to the USGF Entity if it were dealing with an unrelated party.

## **Conflict of Interest Policy**

October 30, 2024

2. Staff. Any senior staff member who may be involved in a USGF Entity business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the USGF Executive Committee. If the possible conflict involves the Executive Director, the possible conflict shall then be reported to the Chair of the Board.

3. Procedures.

Any board member or senior staff member who has a potential conflict of interest is obligated to report the existence and nature of the conflicting interest and all facts known to him or her respecting the subject matter of the transaction that an ordinarily prudent person would reasonably believe to be material to a judgment as to whether or not to proceed with the transaction. If the board member or senior staff member has a duty under law or professional canon, or a duty of confidentiality to another person, respecting information relating to the transaction such that he or she cannot, consistent with that duty, make the disclosure contemplated by this conflict of interest policy, then disclosure is sufficient if the board member or senior staff member (i) discloses to the Board of Trustees the existence and nature of his or her conflicting interest and informs them of the character of and limitations imposed by that duty; and (ii) plays no part, directly or indirectly, in any deliberations or vote by the Board of Trustees.

The Executive Committee, after receiving information about a possible conflict of interest, shall take such action as is necessary to assure that the transaction is completed in the best interest of the USG Foundation without the substantive involvement of the person who has the possible conflict of interest. (This does not mean that the purchase or other transaction must necessarily be rejected, but simply that persons other than the one with the possible conflict shall make the judgments involved and shall control the transaction.)

If the Board of Trustees has reasonable cause to believe a board member or senior staff member has failed to disclose an actual or possible conflict of interest, it shall inform such person of the basis for such belief and afford that person an opportunity to explain the alleged failure to disclose. If, after hearing the board member's or senior staff member's response and after making further investigation as warranted by the circumstances, the Board of Trustees determines the board member or senior staff member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Each board member and senior staff member shall complete the attached questionnaire on an annual basis.

## Conflict of Interest Policy

October 30, 2024

A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the Executive Director or, where applicable, Chair. The USG Foundation shall maintain the confidentiality of any disclosures made in connection with this policy and limit access to the information in accordance with the USG Foundation's privacy policy. Each board member and senior staff member shall exercise care not to use, publish, or disclose confidential information acquired in connection with disclosures of actual, potential, or perceived conflicts of interest during or subsequent to his or her employment, participation as a volunteer, or participation on the Board of Trustees.

#### 4. Definitions.

a. **"Involved in a USGF Entity business transaction"** means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from USGF Entity accounts. That language is intended to include not only transactions for the USGF Entity's procurement of goods and services, but also for the disposition of USGF Entity property, and the provision of services or space by USGF Entities.

b. **A "possible conflict of interest"** is deemed to exist where the board member, or senior staff member, or a close relative, or a member of that person's household, is an officer, director, employee, proprietor, partner, or trustee of, or, when aggregated with close relatives and members of that person's household, holds 1% or more of the issued stock in the organization seeking to do business with a USGF Entity. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractor by, or has received or expects to receive any gift or favor from, an organization which seeks to do business with a USGF Entity, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household.

A "possible conflict of interest" exists when an individual affiliated with a USGF Entity has an interest in an organization which is in competition with a firm seeking to do business with the USGF Entity if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.

A "possible conflict of interest" exists when an individual affiliated with a USGF Entity is a trustee, director, officer or employee of a not-for-profit organization which is seeking to do business with or have a significant connection with the USGF Entity or is engaged in activities which could be said in a business context to be "in competition with" the programs of any USGF Entity.

## **Conflict of Interest Policy**

**October 30, 2024**

5. Compensation.

a. A voting member of the Board of Trustees who receives compensation, directly or indirectly, from a USGF Entity for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from a USGF Entity for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the Board of Trustees or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from a USGF Entity, either individually or collectively, is prohibited from providing information to any committee regarding such compensation.

6. Periodic Reviews. To ensure the USG Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its reputation or tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are: (i) reasonable; (ii) based on competent survey information; and (iii) the result of arm's length bargaining; and

b. Whether partnerships, joint ventures, and arrangements with management organizations: (i) conform to the USG Foundation's written policies; (ii) are properly recorded; (iii) reflect reasonable investment or payments for goods and services; (iv) further charitable purposes; and (v) do not result in inurement, impermissible private benefit, or a transaction in which an economic benefit is provided by a USFG Entity, directly or indirectly, to or for the use of a disqualified person which exceeds the value of the consideration (including the performance of services) received by the USFG Entity.

7. Use Of Outside Experts. When conducting a conflict of interest determination as provided for in Section 3 or a periodic review as provided for in Section 6, the USG Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its fiduciary duties or responsibilities when considering a transaction or arrangement with any board member or senior staff member or any related person, or for ensuring periodic reviews are conducted.

## **Conflict of Interest Policy**

**October 30, 2024**

8. This policy statement shall be made available to each board member, senior staff member and each person appointed to a USG Foundation position, which regularly involves initiation, review, or approval of significant USGF Entity contracts or other commitments. Such people will be asked to sign the attached acknowledgment concerning reporting of potential conflicts of interest.

9. The USG Foundation expressly reserves the right to change, modify, or delete the provisions of this policy without notice.

I have read and understand USG Foundation's policy on Potential Conflicts of Interest. I agree to report promptly any such interest, which arises in my conduct of USG Foundation business and, in other respects, to comply with the policy and its procedures.

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Signature

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Print Name and Title

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Date