

## **Conflict of Interest Policy<sup>1</sup>** **UW-Stevens Point Foundation, Inc. (the “Foundation”)**

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### **1. Article 1 – Purpose**

- 1.1. The purpose of the conflict of interest policy is to protect the Foundation’s interest when it is contemplating entering into a transaction agreement that might benefit the private interest of an Interested Person or that might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, and applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.
- 1.2. The UW-Stevens Point Foundation, Inc. (the “Foundation”), as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of the Foundation first must fulfill all legal requirements.
  - 1.2.1. They also depend on the public trust and thus are subject to scrutiny and accountability to both governmental authorities and members of the public.
  - 1.2.2. There exists between the Foundation and its Board, officers, and staff, a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and staff have the responsibility of administering the affairs of the Foundation honestly and prudently, and of exercising their best care.
- 1.3. Conflicts of interest may arise in relations of directors, officers, and staff with any of the following third parties:
  - 1.3.1. Persons and firms supplying goods and services to the Foundation
  - 1.3.2. Persons and firms from whom the Foundation leases property and/or equipment
  - 1.3.3. Persons and firms with whom the Foundation is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property
  - 1.3.4. Competing or affinity organizations
  - 1.3.5. Donors and others supporting the Foundation or UW-Stevens Point
  - 1.3.6. Recipients of grants from the Foundation
  - 1.3.7. Agencies, organizations, and associations that affect the operations of the Foundation
  - 1.3.8. Family members, friends, and other staff or employees

### **2. Article 2 – Definitions**

- 2.1. **“Affiliate”** means any entity controlled by the Foundation, including its wholly owned subsidiary UWSP Foundation Property, LLC, a single-member Wisconsin limited company.
- 2.2. **“Board”** means the Foundation’s board of directors or similar governing body of any Affiliate.
- 2.3. **“Committee”** means any committee of the Foundation or its Affiliates that has been delegated authority governing authority by the Board or persons serving as a voting member of the Foundation’s board of directors, or similar position with any Affiliate.
- 2.4. The terms **“Director,” “Ex-Officio Director,” and “Executive Director”** shall have the meaning ascribed to such terms in the Foundation’s bylaws.

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<sup>1</sup> Adapted from “Legal Responsibilities of Nonprofit Boards, 2<sup>nd</sup> ed.

- 2.5. **“Interested Person”** includes any Director, Ex-Officio Director, Executive Director, Foundation or Affiliate officer, or member of a committee with Board delegated powers, who has a direct or indirect Financial Interest, or Other Interest, as defined below.
  - 2.6. **“Financial Interest”** exists if the person has, directly or indirectly, through business, investment, or family:
    - 2.6.1. An ownership or investment interest in any entity with which the Foundation or its Affiliate has a transaction or agreement;
    - 2.6.2. Compensation arrangement with the Foundation or its Affiliate; or
    - 2.6.3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation or its Affiliate is negotiating a transaction or arrangement.
    - 2.6.4. A Financial Interest is not necessarily a conflict of interest. Under Article 3, a person who has a financial interest may have a conflict only if the appropriate Board or Committee decides that a conflict of interest exists.
  - 2.7. **“Other Interest”** includes serving as an officer, trustee, director, or any other fiduciary role in any other organization that transacts business with the Foundation, whether or not Compensation is received for.
  - 2.8. **“Compensation”** includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
3. **Article 3 – Procedures**
- 3.1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest or Other Interest and be given the opportunity to disclose all material facts to the Directors and members of committees with Board delegated powers considering the proposed transaction or arrangement
  - 3.2. **Determining Whether a Conflict of Interest Exists:** After disclosure of the Financial Interest and/or Other Interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or committee members, as applicable, shall decide if a conflict of interest exists.
  - 3.3. **Procedures for Addressing the Conflict of Interest:**
    - 3.3.1. Presentation to the Board. An Interested Person may make a presentation of the Board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest
    - 3.3.2. Appointment of Disinterested Person. The chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
    - 3.3.3. Determination of Available Alternative Transactions. After exercising due diligence, the Board or committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
    - 3.3.4. Vote on Proposed Transaction. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above

determination it shall make its decision as to whether to enter into the transaction or arrangement.

**3.4. Violations of the Conflict of Interest Policy**

- 3.4.1. Failure to Disclose Conflict of Interest. If the Board or committee has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform such person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- 3.4.2. Disciplinary Action. If, after hearing the Interested Person's response and after making investigation as warranted by the circumstances, the Board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**4. Article 4 – Records of Proceedings**

- 4.1. **Meeting Minutes.** The minutes of the Board and all committees with Board delegated powers shall contain:
  - 4.1.1. The names of the persons who disclosed or otherwise were found to have a Financial Interest or Other Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest or Other 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.
  - 4.1.2. The names of the persons who were present for discussion and votes related 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.

**5. Article 5 – Compensation**

- 5.1. **Governing Board Voting Preclusion.** A Director who received compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that Director's compensation.
- 5.2. **Committee Voting Preclusion.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that committee member's compensation.
- 5.3. **Providing Information Prohibition.** No person whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**6. Article 6 – Periodic Reviews**

- 6.1. **Periodic Reviews.** To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
  - 6.1.1. Whether compensation arrangements and benefits are reasonable, based on a competent survey of information and result of arm's length bargaining.
  - 6.1.2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable

investment or payments for goods and services, promote charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**7. Article 7 – Experts and Acknowledgements**

- 7.1. **Use of Outside Experts.** When conducting the periodic reviews as provided for in this Article 7, the Foundation may, but need not, use outside experts. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.
- 7.2. **Annual Statements.** Each person who is a Director, Ex-Officio Director, Executive Director, principal officer or member of a committee with Board delegated powers shall annually sign a statement which affirms such person:
  - 7.2.1. Has received a copy of the conflict of interest policy;
  - 7.2.2. Has read and understands the policy;
  - 7.2.3. Has agreed to comply with the policy, and
  - 7.2.4. Understands that the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

This policy was recommended by the UW-Stevens Point Executive Committee and Approved by the UW-Stevens Point Board of Directors on **11.15.2019**.

\_/s/ Pat Arendt \_\_\_\_\_

UWSPF Board President

\_/s/ Deb Marten \_\_\_\_\_

UWSPF Board Secretary

**CONFLICT OF INTEREST POLICY  
ACKNOWLEDGEMENT FORM**

**University of Wisconsin Stevens Point Foundation, Inc.  
(the "Foundation")**

I, the undersigned, being a Director, Ex-Officio Director, Executive Director, principal officer or member of a committee with Board delegated powers of the University of Wisconsin Stevens Point Foundation, Inc., a Wisconsin nonstock and not-for-profit corporation (the "Corporation"), acknowledge and agree as follows:

1. That I am aware that the Foundation has adopted a Conflict of Interest Policy (the "Policy") and I have received a copy of the Policy.
2. That I have read the Policy, fully understand its contents, and agree to comply with the standards set forth therein.
3. That I understand that I have an obligation to report to the Executive Committee or Board of Directors, as appropriate, any existing or potential violation of any provision of the Policy.
4. That I understand the Foundation is tax-exempt and in order to maintain its federal tax-exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Dated this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name