

Delta State University Foundation

Conflict of Interest Policy

The Behavior Standard

Structures may vary, but all institutionally related foundations should share one primary standard: to serve the philanthropic interest of the institution without personal conflicts of interest. Compliance can be ensured through

- governance by a volunteer board staffed by either institution or foundation employees,
- the investment of funds by independent managers to prevent personal gain by directors,
- responding to donors' wishes without reciprocal favors to donors and without compromise to the institution, and
- working closely with institutional representatives in the development of foundation policies and procedures.

DSU Foundation Policy

High standards, ethical behavior, personal integrity, and impartiality are inherent to the reputation and ultimate success of the Delta State University ("DSU") Foundation. In keeping with these norms, DSU Foundation officers, directors, and staff shall refrain from engaging in any behavior that might be construed as self-dealing or in conflict with the mission, goals, and fundamental purpose of the Foundation. Examples of such behavior include

- using the equipment or other resources of the DSU Foundation to secure outside personal gain;
- citing participation in the DSU Foundation to advance personal, political, or profit-motivated activities;
- marketing services or products to the DSU Foundation on a non-competitive basis;
- disclosing to outside parties plans and other information on the DSU Foundation when such information is not readily available to the general public; and
- leveraging involvement with the DSU Foundation to secure favorable rates, discounts, or other preferential treatment.

The DSU Foundation Board of Directors acknowledge that the appearance of conflict of interest does not always imply actual conflict. Policy requires, therefore, that potential conflicts of interest – memberships or affiliations with possible vendor implications, elected office at any level, or involvement in any other activity that might be construed as being in conflict with the mission, goals and purpose of the DSU Foundation – shall be presented to the Executive Director of the DSU Foundation for purposes of review. Such action may include holding information on file, informing the Board of the appearance of conflict of interest, or requiring the director to cease the activity or to relinquish his/her position as a director with the DSU Foundation.

§ Conflict of interest transaction.

(1) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has the direct or indirect interest. A conflict of interest transaction is not voidable by the corporation solely because of the director's interests in the transaction if any one (1) of the following is true:

- (a) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors and the board of directors or committee authorized, approved or ratified the transaction;
- (b) The material facts of the transaction and the director's interest were disclosed or known to the members entitled to vote and they authorized, approved or ratified the transaction; or
- (c) The transaction was fair to the corporation.

(2) For purposes of this section, a director of the corporation has an indirect interest in a transaction if (a) another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction, or (b) another entity of which he is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the board of directors of the corporation.

(3) For purposes of subsection (1)(a) of this section, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the interest in the transaction, but a transaction may not be authorized, approved or ratified under this section by a single director. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection (1)(a) of this section if the transaction is otherwise authorized, approved or ratified as provided in the subsection.

(4) For purposes of subsection (1)(b) of this section, a conflict of interest transaction is authorized, approved or ratified if it receives the vote of a majority of the members whose votes are entitled to be counted under this subsection. The vote of a member who is a director who has a direct or indirect interest in the transaction, and the vote of a member who is under the control of an entity described in the subsection (2)(a) of this section, may not be counted in a vote of members to determine whether to authorize, approve or ratify a conflict of interest transaction under subsection (1)(b) of this section. The vote of those members, however, shall be counted in determining whether the transaction is approved under other sections of **Sections 79-11-101** et seq. A majority of the members, whether or not present, whose votes are entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

Affirmation

As a duly elected or ex-officio member of the Delta State University Foundation, I hereby certify that I have reviewed this conflict of interest policy statement and that, to the best of my knowledge, no circumstance exists with me or my immediate family that might be construed as a conflict of interest with my membership on the Delta State University Foundation Board of Directors.

Print Name: _____

Signed: _____ Date: _____

PLEASE RETURN THIS DOCUMENT WITH YOUR INVITATION TO SERVE FORM. THANK YOU.