

**Minnesota State University Moorhead
Alumni Foundation**

**Conflict of Interest and Confidentiality
Statement for Directors and Officers
Policy**

ARTICLE I
PURPOSE

The purpose of this policy is to protect the interest of Minnesota State University Moorhead Alumni Foundation (hereinafter, “the Organization”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or management employee of the Organization. This policy is intended to supplement, but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE II
DEFINITIONS

A. Interested Person.

A director, officer, or member of a committee with board-delegated powers, or who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

B. Financial Interest.

A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or his or her immediate family:

1. an ownership or investment interest in any entity with the Organization has a transaction or arrangement;
2. a compensation agreement with the Organization (other than for services as a officer, director or employee) or with any entity or individual with which the Organization has a transaction or arrangement; or
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

ARTICLE III DISCHARGE OF DUTIES

A. Standard of Care

It is the responsibility of each Interested Person of the Organization to discharge his or her duties in good faith, in a manner the person reasonably believes to be in the best interests of the of the Organization, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

ARTICLE IV CONFLICTS PROCEDURES

A. Duty to Disclose

In connection with any actual or possible conflicts of interest, and Interested Person must disclose the existence of his or her Financial Interest and be given the opportunity to disclose all material facts relating to his or her Financial Interest to the directors or members of committees with board-delegated powers considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person must leave the board (or committee) meeting while the Financial Interest is discussed and voted upon. The remaining board (or committee) members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

1. An interested Person may make a presentation at the board or committee meeting regarding the proposed transaction or arrangement, but after such presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the proposed transaction or arrangement that results in the conflict of interest.

2. The chairperson of the board (or committee) shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the board (or committee) shall determine whether the Organization can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the board (or committee) shall determine by a majority vote of the disinterested directors (or committee members), whether the transaction or arrangement is in the Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

ARTICLE V VIOLATIONS

A. Procedure

If the board (or committee) has reasonable cause to believe that a person subject to this policy has failed to disclose actual or possible conflicts of interest or failed to discharge his or her duties in accordance with Article III, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure.

B. Action

If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the board (or committee) determines that the person has, in fact, failed to discharge his or her duties in accordance with this policy or to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE VI RECORDS OF PROCEEDINGS

The minutes of meetings of the board (or committee) shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, 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.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any

alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

ARTICLE VIII ANNUAL STATEMENT

Each director, officer, and member of a committee with board-delegated powers, shall complete and sign a Conflicts of Interest Policy Annual Statement and a Confidentiality Statement annually. The current forms are attached hereto as Exhibit A and Exhibit B.

ARTICLE IX PERIODIC REVIEWES

To ensure the Organization operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.
- B. whether partnership and joint venture arrangements and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

ARTICLE X USE OF OUTSIDE ADVISORS

In conducting the periodic reviews provided for in Article IX, the Organization may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Origination Date: September, 2008

Approval Date: October 3, 2008

Revision Date: April 27, 2012

EXHIBIT A

**CONFLICTS OF INTEREST POLICY
ANNUAL STATEMENT**

The undersigned, being a director, officer, member of a committee with board delegated powers, of Minnesota State University Moorhead, Alumni Foundation, hereby acknowledges the following:

1. I have received a copy of the Conflict of Interest Policy Regarding Conflicts of Interest and Discharge of Duties for Directors and officers (the "Policy")
2. I have read and understand the Policy
3. I agree to comply with the Policy
4. I understand that the Policy applies to persons described as Interested Persons in the Policy.
5. I understand that the MSUM, Alumni Foundation is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
6. The following information concerning conflicts and potential conflicts is true, correct and complete to the best of my knowledge:
 - A. I serve to represent the MSUM, Alumni Foundation in the following capacity:

Title:
Director
 - B. I am a director, officer, employee or legal representative, or have a material financial or beneficial interest in the following organizations which may have a conflict of interest with the MSUM, Alumni Foundation.

Organization: _____ Title: _____

 - C. I am not involved in any activity or transaction, nor am I a party to a contract involving interests which could be found to be adverse to the MSUM, Alumni Foundation except for the following:

D. I am not pursuing any business opportunities which might adversely affect _____
the MSUM, Alumni Foundation except for the following:

E. I bring to your attention the following potential conflicts of interest in addition to
those, if any, disclosed in B, C and D above: (if none, insert "None")

Dated: _____

Printed or Typed Name

Signature

EXHIBIT B

**Minnesota State University Moorhead
Alumni Foundation
Confidentiality Statement**

I hereby acknowledge that, as a Director of the Alumni Foundation Board of Directors, I have access to non-public information of the Alumni Foundation, including, but not limited to, information relating to the Alumni Foundation's finances, business plans, policies, donor information, and other proprietary information (collectively, "Confidential Information"). I further acknowledge that the Alumni Foundation at all times is and will remain the owner of the Confidential Information, and I hereby agree, consistent with the manner in which the Alumni Foundation protects its Confidential Information, to preserve the confidentiality of all such Confidential Information. I hereby certify that I have not used the Confidential Information for my own benefit and that I have not disclosed Confidential Information to any third party without the written consent of the Foundation. Further, I hereby agree that I will not use the Confidential Information for my own benefit and that I will not disclose Confidential Information to any third party without the prior written consent of the Foundation.

Type/Printed Name

Signature

Date

The Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations.