

MONTCLAIR STATE UNIVERSITY FOUNDATION BOARD OF TRUSTEES CODE OF ETHICS AND CONFLICT OF INTEREST POLICY

OBJECTIVE

To provide a code of ethics and conflict of interest policy for members of the Board of Trustees.

STATEMENT

A. Preamble

1. Public trust. The Foundation Board of Trustees is responsible for the governance of the Montclair State University Foundation. In carrying out this public trust, trustees bring to the task their own varied backgrounds and expertise. Nevertheless, trustees are expected to put aside parochial interests and keep the welfare of the entire Foundation, not just some particular constituency, paramount at all times.
2. Implications of recusal. Conflict of interest comes in many forms and cannot be avoided entirely. Recusal on a particular matter because of a conflict does not reflect adversely on the involved trustee. Rather, it is simply recognition that, in a complex and interconnected society, conflicts will occur. When this happens, recusal is necessary to assure that a trustee's independence of judgment is not compromised, that the public's confidence in the integrity of the Foundation Board of Trustees is preserved, and that the Foundation's mission is protected.

B. Trustees' duties and obligations

1. Time commitment. In undertaking the duties of the office, a trustee shall make the necessary commitment of time and diligence to carry out his/her governance responsibilities.
2. Trustees' authority. A trustee shall not use the authority, title, or prestige of office to solicit or otherwise obtain a private financial, social, or political benefit that in any manner would be inconsistent with the public interest or to secure unwarranted privileges or advantages for him/her or others.
3. Prohibited activities. A trustee shall not have any interest (financial or otherwise, direct or indirect) or engage in any business transaction or professional activity that is in substantial conflict with the proper discharge of his/her duties in the public interest and shall not act in his/her official capacity in any manner wherein he/she has a direct or indirect personal financial interest that might reasonably be expected to impair the trustee's objectivity or independence of judgment.
4. Use and disclosure of information. A trustee shall not willfully disclose any information not generally available to members of the public that he/she receives or acquires in connection with his/her official duties, nor shall he/she use such information for the purpose of securing financial gain for him/her or others with whom he/she is associated.
5. Conduct. A trustee shall not knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his/her acts that he/she

may be engaged in conduct violative of his/her trust as a trustee.

C. Conflict of interest

1. Elements of a conflict. A trustee has a conflict of interest whenever the trustee or a family member or a business associated with a trustee or a family member (insofar as may be known to the trustee) has an existing or potential financial or other interest in a matter pending before the Board of Trustees that might reasonably be expected to impair the trustee's independence of judgment or objectivity in the discharge of public governance responsibilities.

a. "Family member" includes spouse; parents; siblings; children; aunts and uncles; grandparents; grandchildren; nieces and nephews; mothers- and fathers-in-law; daughters- and sons-in-law; sisters- and brothers-in-law; first cousins, whether in whole or half blood, by marriage, adoption or natural relationship and the spouse of any such person; domestic partner; and any person residing in the trustee's household.

b. "Business associated with a trustee" means an organization, corporation, partnership, proprietorship or other business entity with respect to which either the trustee or (insofar as may be known to the trustee) a member of the trustee's family:

i. Receives compensation in excess of \$500 in any month or has any contractual right to future income in excess of \$6,000 per year excluding compensation from the University, any governmental source, investment or savings income, retirement or insurance benefits, or alimony.

ii. Serves as an officer, director, partner, or employee.

iii. Holds a financial interest valued in excess of \$10,000.

c. "Financial interest" means a foreseeable nontrivial financial effect that may result from a Board action.

2. Candidacy for public office. Active candidacy for, and service in, any partisan, statewide elective public office is a conflict of interest. A trustee shall resign from the Board of Trustees upon officially announcing candidacy for such office.

3. Incompatible employment or service. No trustee shall undertake any employment or service, whether compensated or not, that might reasonably be expected to impair his/her objectivity and independence of judgment in the exercise of his/her official duties.

4. Representation. No trustee, nor any partnership, business entity, or corporation in which he/she has an interest, nor any partner, officer or employee of such partnership, business entity or corporation, shall appear for or negotiate on behalf of, any person or party other than the Foundation in connection with any cause, proceeding, application or other matter pending before the Board.

No trustee, subsequent to his/her termination of membership on the Board, shall agree to or actually represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public, whether personally or through any partnership, business entity or corporation in which he/she has an interest, to any person or party other than the Foundation in connection with any cause, proceeding, application or other matter with respect to which such trustee shall have made any investigation, rendered any ruling, given any opinion, or

otherwise been substantially and directly involved at any time during the course of his/her membership on the Board.

D. Gifts and expenses

1. Acceptance of gifts. A trustee shall not accept any gift, favor, service, accommodation or other thing of value under circumstances from which it might reasonably be inferred that such gift, service or other thing of value was given or offered for the purpose of influencing him/her in the discharge of his/her official duties. A trustee may, however, accept complimentary tickets to University-sponsored events.

2. Reimbursement for expenses. A trustee serves without compensation. However, he/she is entitled to receive reimbursement for expenses incurred while representing the Foundation in his/her official capacity.

E. Conflict of interest and recusal procedures

1. Review of procedures. The Board of Trustees, with the assistance of the Foundation Counsel, shall review annually the requirements and procedures provided in this policy. Each trustee shall sign a form indicating the date the Code of Ethics was received and acknowledging that he/she is responsible for reading the Code and is bound by it. A trustee can seek clarification of the Code's provisions from the Foundation Counsel.

2. In accordance with the policy, a trustee must recuse him/herself from a matter if he/she has:

a. Any financial interest, direct or indirect, that is incompatible with the discharge of the trustee's public duties, or

b. Any personal interest, direct or indirect, that is incompatible with the discharge of the trustee's public duties.

3. Acknowledgment of conflict. An actual or possible conflict of interest shall be called to the attention of the Chair of the Foundation Board of Trustees at the earliest opportunity by the individual trustee or by any other person.

a. A trustee regarding whom a conflict of interest question arises is encouraged to consult with the Chair, who may request a written opinion from the Foundation Counsel on whether a conflict of interest exists under this policy. If the existence of the conflict involves the Chair, the Chair shall consult with the Vice Chair who may request a written opinion from the Foundation Counsel regarding the existence of a conflict. A trustee must seek the advice of the Foundation as to the propriety of participation in a matter if a person requests that trustee to recuse him/herself from that matter.

b. Any disputed issues relating to the existence of a conflict of interest requiring recusal shall be considered by the Chair or Vice Chair, as the case may be, who, at his/her discretion, may refer the question to Foundation Counsel.

c. The Chair or the Executive Committee, as the case may be, shall make a recommendation regarding the conflict of interest issue to the Board of Trustees at an Executive Committee meeting. The Board of Trustees shall decide the conflict of interest issue. The Foundation Board of Trustees is the final authority on all conflict questions.

d. A trustee with a possible conflict of interest shall not participate in the deliberations or vote of the Executive Committee or the Board of Trustees concerning the legitimacy of the conflict of interest.

4. Deliberations and voting. A trustee who declares or has been found to have a conflict of interest shall be absent from any deliberations or vote on the matter determined to be a conflict, and the trustee shall not take any action to influence the outcome of the matter.

5. Procedure following recusal. A trustee who has recused him/herself shall not receive meeting materials including a matter from which he/she has been recused. At the Board meeting, the trustee must place his/her recusal and the reason for such recusal on the record prior to any discussion of the matter and must leave the room during any closed session held by the Board to discuss the matter in question.