

RECOMMENDATION TO THE UNIVERSITY OF LOUISVILLE
FOUNDATION, INC., BOARD OF DIRECTORS CONCERNING A
CONFLICT OF INTEREST POLICY

Board of Directors – June 1, 2010

RECOMMENDATION:

The President recommends the Board of Directors approve the following Conflict of Interest Policy:

This policy governs conflicts of interest and applies to situations involving the University of Louisville Foundation, Inc. (the “Foundation”) to insure its transactions are conducted with integrity and free from any real or apparent conflict of interest. This policy outlines the guiding principles and procedures utilized by the Foundation to identify and manage conflicts of interest that present a significant risk to the actual or perceived objectivity of transactions conducted in the name of the Foundation.

The following principles shall guide the institution in addressing conflict of interest:

- Because it is critical to the mission and reputation of the Foundation to maintain the public’s trust, institutional activity must not be compromised or perceived as biased by financial and business consideration.
- Because of its numerous and complex relationships with public and private entities, the Foundation must be aware of any relationships involving financial gain that may compromise or appear to compromise its integrity.

The following (1) defines conflict of interest; (2) identifies classes of individuals within the Foundation covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

Definition of conflict of interest: A conflict of interest arises when a person in a position of authority over the Foundation may personally benefit from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material interest of, or benefit to, such persons. Conflict of interest does not mean the Foundation cannot acquire products or services from its directors or officers, or the organizations they represent. This policy is to insure the Foundation can maintain an oversight process to manage, reduce, or eliminate institutional conflicts of interest.

Individuals covered: Persons covered by this policy are the Foundation’s officers and directors.

Facilitation of disclosure: All officers and directors shall disclose annually to the Chairman of the Board any known conflict of interest and, subject to the Chairman’s

determination below, shall avoid participating in any decision or advocating any subject matter before the Foundation in which such officer or director or any member of the officer's or director's immediate family has a conflict of interest.

In addition, before any meeting of the Board of Directors, an agenda will be circulated to each director with agenda items described in sufficient detail to allow members of the Board of Directors to identify possible conflicts of interest. Any member of the Board of Directors with a conflict of interest, not already declared, will submit his or her conflict in writing to the Chairman prior to the introduction of the agenda item in question. The written disclosure will explain: (a) that a conflict of interest may exist; (b) the nature and extent of the conflict; and (c) the nature and amount of the potential direct or indirect benefit to the member of the Board of Directors. Such disclosure shall be noted in the board's record relating to the agenda item in question.

Procedures to manage conflicts: For each interest disclosed to the Chairman of the Board of Directors, whether through annual disclosure or directly related to a meeting of the Board of Directors, the Chairman will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Directors and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the Foundation; or (d) ask the person to resign from his or her position in the Foundation or, if the person refuses to resign, become subject to possible removal in accordance with the Foundation's procedures. Failure to disclose a conflict of interest may result in disciplinary action and/or removal.

Board Action:

Passed _____

Did Not Pass _____

Other _____



Assistant Secretary