

CONFLICT OF INTEREST [AND CONFIDENTIALITY] POLICY

General

The board of directors, volunteer leaders and staff members (collectively referred to as “Leaders”) of the Ex-Students’ Association of the University of Texas (“Texas Exes”) have a fiduciary duty to conduct themselves in the best interests of Texas Exes and to avoid engaging in any real or potential conflict of interest or creating the perception of conflict of interest. In their capacity as Leaders, those individuals must subordinate their personal, financial, business, and another non-Texas Exes interests to act at all times in the best interest of the Texas Exes. Further, the Board of Directors of Texas Exes desires that the Texas Exes act in a transparent manner and maintain an unbiased decision making process.

All capitalized terms used herein shall have the meanings ascribed to them as defined in this Conflict of Interest [and Disclosure Policies and Procedures] [and Confidentiality Policy] (“Policy”).

Purpose

The purpose of this Policy is to inform Leaders about what constitutes a conflict of interest, assist them in identifying and disclosing actual and potential conflicts, help them to avoid conflicts of interest when appropriate and necessary, and ensure that all of the deliberations and decisions of Leaders protect the interests of Texas Exes, particularly when the Texas Exes contemplates entering into any transaction or arrangement that may directly or indirectly benefit the Leader financially (i.e., through business, family, or investment). A Leader may not use either his or her position with respect to Texas Exes or confidential information relating to Texas Exes in order to achieve a financial benefit for himself or herself or for a third party, including another nonprofit or charitable organization, in which such Leader (or a family member) has a personal, business, or financial relationship. This Policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable organizations, [and is subject to the Texas Exes Bylaws provision relating to certain Director – related conflicts of interest].

Definitions

The following definitions shall apply to this Policy:

“Compensation” means any direct or indirect remuneration, as well as gifts or favors, that may create a real or perceived conflict of interest with the public or members.

“Director” means any member of the Board of Directors.

“Family Member” means any individual who is a spouse, partner, parent, brother, sister, child and/or any other relative of the Leader, limited to second degree of affinity and third degree of consanguinity.

“Financial Interest” means if the person has, directly or indirectly, through business, investment or family:

- (a) An existing or potential ownership or investment interest in any entity with which Texas Exes has entered into or may enter into a transaction, contract, or other arrangement;

- (b) An existing or potential compensation arrangement with Texas Exes or with any entity or individual with which Texas Exes has entered into or may enter into a transaction, contract, or other arrangement;
- (c) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Texas Exes is negotiating a transaction, contract, or other arrangement or with which Texas Exes would provide a financial benefit; or
- (d) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual whose business or operation or who individually has been or will be directly affected by a decision or action of Texas Exes.

“Leaders” means any Director, volunteer leader or employee of Texas Exes.

What is a Conflict of Interest?

A conflict of interest arises when a Leader has some interest—which may be personal, professional, financial, or business related—that suggests divided loyalty on the part of the individual between obligations to Texas Exes and to the individual’s personal interests or to the interests of some other organization or cause in which a Leader maintains some personal or financial interest. Such interest arises from a transaction between Texas Exes and a third party, or the Leader’s relationship with a third party, or the Leader’s relationship to another Leader (personal, professional or otherwise), which compromises their ability to provide unbiased and undivided loyalty to Texas Exes.

Disclosure

In order to identify any potential conflicts of interest, each Leader is required to annually complete and submit on a form provided by Texas Exes (a “Disclosure Form”) details of any Financial Interest, as well as paid and unpaid positions and relationships with third party organizations, and arrangements or relationships with Texas Exes and other Leaders. Directors shall promptly update the Disclosure Form as appropriate and necessary if any disclosure has changed. All Leaders are required annually to complete and submit a Disclosure Form, and shall update the Disclosure Form if any material changes or additions to the submitted information arise during the course of the year. On the Disclosure Form, the Leader must list all financial arrangements and transactions with Texas Exes, whether the Leader or any Family Member has an interest in any third party that provides Texas Exes with goods or services, and any other organizations with potentially conflicting interests in which the Leader or a Family Member has a personal interest, has an investment, or owns at least 5% interest. Each Leader is encouraged to disclose a relationship if there is any uncertainty as to whether the relationship should be disclosed.

Administering the Policy

- Board Member/Director Candidates
 - Candidates for all elected positions will complete the Conflict of Interest Disclosure Form prior to election.
 - Nominating Committee will review Disclosure Forms submitted by candidates as a part of the endorsement process and take appropriate action.
- Current Board of Directors
 - Directors will complete the Conflict of Interest Disclosure Form at the beginning of each leadership year.

- Directors will also submit the Disclosure Form anytime there is a change of disclosure needed.
- Board meeting packets will include this statement from the President of the Board:
 - “It is my duty to remind you that The Ex-Students’ Association of the University of Texas maintains an official policy with respect to the disclosure of bias and potential conflicts of interest, and related party transactions. If you have a question about whether you should make such a disclosure and you are about to participate in a meeting where that conflict would apply, you should ask the president or chair of the meeting whether you should abstain yourself or not participate in the discussion for its duration.”
- Directors will revise Disclosure Forms as soon as they are aware of potential conflicts.
- Directors will not receive compensation from the Texas Exes for five (5) years after their term as a Director ends.
- Non-Board Member Volunteer Leaders
 - Leaders will complete the Conflict of Interest Disclosure Form prior to beginning service on behalf of the Texas Exes and annually.
 - Leaders will update their Disclosure Forms as soon as they are aware of potential conflicts.
- Texas Exes Staff
 - Staff will complete the Conflict of Interest Disclosure Form prior to beginning service on behalf of the Texas Exes and annually.
 - Staff will revise their Disclosure Forms as soon as they are aware of potential conflicts.
 - The CEO and Director of Human Resources will review any submitted conflicts of interest presented by staff. If the conflict is presented by the Executive Director, the Executive Committee of the Board of Directors will review and take appropriate action according to the procedures outlined below.

Except as set forth below, the Executive Committee of the Texas Exes Board of Directors shall have the authority to administer and monitor compliance with this Policy. The Executive Committee shall make the initial determination whether a particular outside transaction or relationship may constitute an actual, potential or apparent conflict of interest, with the aid of outside counsel as appropriate. This determination shall be made in any circumstance in which a credible potential for a conflict of interest is identified, either by an individual Leader or by a third party. The Board shall have the final authority to resolve all Board-related conflict of interest matters covered by the Texas Exes Bylaws.

Evaluating Conflict of Interest

Upon receipt of disclosure/discovery of a conflict of interest the following actions will be taken:

- The Board of Directors [or Executive Committee of the Board] will be informed and initiate the evaluation process
- When evaluating whether a particular transaction or relationship constitutes an actual or potential or the perception of a conflict of interest, the Executive Committee of the Board of Directors shall include (but not be limited to) the following determinants:

- Abusing one's role as a Leader for personal or third-party gain or benefit (including, but not limited to, the solicitation or acceptance of non-de minimis gifts or other items of value or indirect inducement to provide special treatment on organizational matters).
- Placing one's own self-interest, the interest of one's company, organization or another entity for which the individual serves in a leadership, employment or ownership capacity, or the interest of any third party with which such individual maintains personal or business relationship above that of Texas Exes.
- Engaging in any outside business, professional or other activities that could potentially directly or indirectly materially adversely affect Texas Exes.
- Providing goods and services to Texas Exes as a paid vendor.
- If the Executive Committee of the Board determines that a particular relationship or transaction represents an actual, potential or the perception of a conflict of interest, it shall resolve such actual, potential or perception of conflict in one of the following manners:
 - *Waive* the actual, potential or perception of conflict of interest as unlikely to affect the Leader's ability to act in the best interests of the organization;
 - Determine that the individual Leader should be *recused* from all deliberations and decision-making related to the particular transaction which gives rise to the actual, potential or perception of conflict of interest. This resolution should apply particularly when the transaction or relationship is one that presents a conflict of interest only with respect to one or two discrete programs or activities.
 - Determine that the individual Leader must *resign/be removed* from his/her service to Texas Exes, because the actual, potential or perception of conflict of interest is so egregious as to prevent the Leader from being able to serve the best interests of the organization.
- The Executive Committee of the Board will accept comments from the Leader and may discuss options with the Leader, including timeframe to take action and possible actions (see above: waive, recuse, resign/be removed).

Periodic Reviews

The Board of Directors shall periodically consider whether and how this Conflict of Interest Policy should be revised or amended to better meet the Policy's objectives.

The attached Conflict of Interest Disclosure Form shall be completed, signed and submitted by all Leaders on an annual basis. Additionally, each Director is required to update the Disclosure Form, if needed, prior to each board meeting.