

UNIVERSITY OF IOWA ALUMNI ASSOCIATION

Conflicts of Interest and Confidentiality Policy

I. Introduction

The University of Iowa Alumni Association ("the UIAA") has a special obligation to uphold the public trust. The UIAA's board of directors ("Board"), members of its committees, officers, staff, and consultants (collectively "Parties", and individually a "Party") all have a duty to conduct the UIAA's activities within the highest ethical standards and to make all decisions concerning the UIAA solely to promote the UIAA's mission and interests. The UIAA recognizes that Parties may have business or personal interests in conflict with the UIAA, and that the presence of such a conflict does not reflect upon the integrity of any Party. Each Party should be aware of the potential for conflicts of interest and act with candor and care in dealing with such situations.

With full disclosure of all conflicts, the UIAA can determine the propriety of a particular transaction that may present a potential benefit to a Party and identify procedures for properly handling the transaction.¹ The UIAA has adopted this Conflicts of Interest and Confidentiality Policy to assist in accomplishing this goal by setting forth guidelines and procedures to identify, evaluate and manage all potential, actual and perceived conflicts of interest (collectively, "Conflicts").

For purposes of this policy, whenever the term "Board" is used it means the UIAA's Board of Directors. The UIAA's Board may create a *Conflicts Committee* comprised of disinterested Board members to facilitate compliance with this policy and the handling of Board delegated matters involving conflicts of interest.

¹ While this policy specifies certain individuals and entities as Parties in the UIAA's community, the UIAA's goal is to avoid any perceived, potential or actual conflicts of any nature with any individual or entity. Therefore, if any person or entity (such as a contributor or advisor to the UIAA) not specifically identified as a Party has an interest that presents the appearance of or an actual conflict, any Party with knowledge of the interest is urged to be vigilant in disclosing the situation to ensure that the UIAA is able to make informed, fair and reasonable decisions that are in the best interest of the UIAA.

II. Conflicts Of Interest Policy

(1) General Rule

No Party may use his/her position in or relationship with the UIAA, or any access to information about the UIAA, to make a personal profit² or to gain a financial or other personal or professional advantage for the Party or for any family member or associate.³

(2) Potential for Conflicts of Interest

As the UIAA pursues its mission, it has opportunities to have relationships and arrangements with diverse persons and entities including charitable organizations, for-profit businesses, governmental bodies and academic institutions. The UIAA will rely, to a great extent, on the expertise of one or more Parties when determining programs and services for which the UIAA will devote its resources. Transactions that might benefit the private interest of a Party, while not necessarily prohibited, require careful scrutiny of all material facts and circumstances.

(3) Occurrence of a Conflict

Circumstances in which a Conflict may arise include situations when a Party or any family or associate of the Party:

- (A) Is a party or potential party to or has a personal or professional interest in a transaction with the UIAA (including any proposal for support);
- (B) Has an actual or potential compensation, ownership, investment or other financial interest in; is an officer, director, trustee or employee of; or is a substantial contributor to, an entity with which the UIAA will negotiate a transaction;
- (C) Has a direct or indirect ownership, investment, financial or other interest in any entity that has a potential for gain or loss as a direct result of the UIAA's action on any matter; or
- (D) may receive a financial or other material benefit of any nature from knowledge or confidential information acquired as a result of the Party's relationship with the UIAA.

² Nominal gifts in the nature of mementos or a dinner invitation generally are not considered to present a Conflict, but a rule of reason and good judgment should prevail and Parties should pay attention to appearances of as well as actual Conflicts. If a situation occurs where it might be discourteous to decline a gift, the gift should be accepted on behalf of the UIAA and should be given to the UIAA.

³ For purposes of this policy, "family" includes a Party's spouse, domestic partner, brothers or sisters (by whole or half-blood); spouses of brothers or sisters (by whole or half-blood); ancestors; children; grandchildren; great grandchildren; and spouses of children, grandchildren, and great grandchildren; "associate" includes any person, organization or enterprise (of a business nature or otherwise) with respect to which the Party or any family member (i) is a director, officer, employee, member, partner or trustee, (ii) has a significant financial interest or any other interest that enables the Party to exercise control or significantly influence policy or (iii) has an existing significant business, contractual or other financial relationship or has sought such a relationship.

(4) Procedures for Dealing with Conflicts

(A) *Disclosure.*

- (i) A Party must notify the UIAA's Board (or Conflicts Committee, if constituted) in writing regarding the existence and nature of any Conflict promptly after the Party becomes aware of the Conflict and, in any event, before participating in a meeting at which the transaction giving rise to the Conflict will be discussed (or before discussion if the possible transaction giving rise to the Conflict was not known to the Party before the meeting). Parties are encouraged to consult with the Board (or Conflicts Committee, if constituted) and/or the UIAA's legal counsel whenever a question arises as to whether this policy applies to a particular transaction.
- (ii) A Party must immediately notify the UIAA's Board (or Conflicts Committee, if constituted) in writing if the Party has a Conflict but cannot disclose the nature of a Conflict for good reason (e.g., contractual covenant of non-disclosure). In this case, the Party will not be required to divulge the nature of the Conflict or specific reason for not disclosing the Conflict. If the Party cannot disclose the Conflict, that Party may not be present at or participate in any way in discussions or consideration of the transaction.
- (iii) For the purposes of this Policy notification of the Board shall mean: 1) if a Conflicts Committee is constituted, written notice given to the Chairperson of the Conflicts Committee, unless such chairperson is also conflicted or otherwise not disinterested, in which case written notice given to all the other members of the Conflicts Committee who are disinterested; or 2) if a Conflicts Committee is not constituted or all its members are not disinterested, written notice given to the Chairperson of the Board, unless such chairperson is also conflicted or otherwise not disinterested, in which case written notice given to the Chairperson-Elect of the Board unless he or she is also conflicted or not disinterested, in which case written notice to all Board members who are disinterested. For the purposes of this provision the determination of whether a person or persons to whom notice is to be given is also conflicted or not otherwise disinterested shall be made by the reporting Party to the best of his/her knowledge and reasonable belief.

- (B) *Determination of and Addressing Issues Regarding a Conflict.* After disclosure of a Conflict, the UIAA's Board (or Conflicts Committee, if constituted) will have the right to determine (without the Party being present) whether a Conflict exists, whether the transaction is in the best interests of the UIAA, and the extent to which a Party may participate in any transaction that the UIAA may consider a Conflict. Any determination regarding the existence of a Conflict shall be made by a vote of disinterested directors of the Board (or disinterested Conflicts Committee members, if constituted) based upon an objective evaluation. In determining whether a transaction involving a Conflict is in the UIAA's best interest, the UIAA may investigate alternatives to the proposed transaction (if any) to evaluate whether the UIAA can with reasonable effort enter into a different transaction that would not give rise to a Conflict. If an question arises as to whether a director (or Conflicts Committee member) is disinterested so as to participate in a discussion and vote on matters relating to a Party's Conflict, such question shall be resolved by a majority vote of those directors (or Conflicts Committee members) who are disinterested without any question.
- (C) *Conflicts Regarding Compensation.* A voting member of the Board or any committee who receives compensation from the UIAA for services is precluded from voting on any and all matters pertaining to such compensation.
- (D) *Waivers of Conflict.*
- (i) If the UIAA's Board (or Conflicts Committee, if constituted) finds that a Conflict exists, the Board may waive, in whole or in part, such Conflict based upon a variety of factors including: the recommendation of the conflicts Committee, if constituted; the type of interest or relationship that creates the Conflict; the identity of the person whose interests are at issue; the apparent ability of the Party to continue to act objectively and in the best interests of the UIAA; the uniqueness of the Party's qualifications; the materiality of the disqualifying financial or other interest; the extent to which the financial or other interest will be affected by the UIAA's actions; and other relevant factors.
 - (ii) The UIAA must grant a waiver before a Party participates in any meeting at which the transaction giving rise to the Conflict will be discussed (or before discussion if the possible transaction giving rise to the Conflict was not known to the Party before the meeting), except to the extent the Board requests the Party to be present to provide background information on the transaction. Notwithstanding the foregoing, if a legal or regulatory prohibition that applies to any Party precludes the Party from participating in a particular matter, the UIAA cannot waive the Conflict.

- (iii) All waivers must be in writing and be kept with records concerning discussion of the Conflict (as discussed below). A waiver must include the rationale for the waiver, a description of the facts upon which the waiver is granted, the nature of the interest and the particular transaction to which the waiver applies, and any other relevant matters. In particular, the waiver must state the scope of the Party's participation and any limitations on the Party's ability to act on such matter, such as whether the Party may:
 - (a) Make a presentation at a meeting concerning the transaction but leave the meeting during the discussion of, and vote on, the transaction that results in the Conflict; or
 - (b) Attend and participate in the discussion of the transaction but abstain from voting (provided that if a Party abstains from voting, it will not constitute loss of a quorum).

- (E) *Un-waived Conflicts.* If the UIAA's Board determines not to waive a Conflict, the Party must not be present during any portion of meetings during which the transaction giving rise to the Conflict is discussed or voted upon.

- (F) *Voting on Transactions involving a Conflict.* Any transaction for which a Conflict has been determined to exist, whether or not waived, must be approved by an affirmative vote of a majority of the Board (or majority of a Board Committee - but not by only a single Director) who have no direct or indirect interest in the transaction. If a majority of the Board or majority of a Board Committee who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum will be deemed present.

- (G) *Records of Conflicts and Waivers.* Minutes of a meeting at which a transaction involving a Party's Conflict is discussed must record the nature of the Conflict and determinations regarding the Conflict, any waiver of the Conflict, the Party's participation or nonparticipation with respect to consideration of the matter, any determination of whether the transaction is fair and reasonable and in the UIAA's interest (including the specific reasons supporting such determination), any limitations on the Party's ability to act with respect to such matter, any alternatives to the proposed transaction that were discussed, the names of persons who were present for discussions, the votes taken regarding the transaction, and other relevant information. [The Board may deem certain information related to consideration of a Conflict or of a waiver to be confidential and decide to disclose it only on a need-to-know basis or to redact specific discussions of the Conflict and any waiver from copies of minutes that may be made publicly available.]

(5) Distribution of Policy and Submission of Disclosure Statements.

Avoiding Conflicts requires that the UIAA be fully informed about its own transactions and those in which Parties may have an interest. To ensure that Parties are reasonably informed of the UIAA's *Conflicts of Interest and Confidentiality Policy*, and to ensure the UIAA is informed of relevant information, the UIAA's Board will distribute a copy of the policy to each Party annually together with a disclosure statement, and each Party must complete and return the disclosure statement to the UIAA. If any individual or entity becomes a Party after the annual distribution, that Party will be provided with a copy of the policy promptly upon becoming a Party (e.g., upon being elected a director or officer, hired as an employee or consultant, etc.). In addition, Parties must promptly inform the Board of all changes in personal, business and organizational interests and affiliations that may give rise to a Conflict.

- (A) *Retention of Disclosure Statements.* The UIAA will retain all disclosure statements with its records in a manner that reasonably protects any confidential information from public disclosure (except as the Board may deem necessary to enforce this policy or as may otherwise be required by law).
- (B) *Periodic Reviews.* In addition to distributing this policy and collecting disclosure statements, the UIAA will conduct regular periodic reviews of its transactions and relationships regarding whether (i) compensation arrangements and benefits are reasonable, (ii) retention of any service providers or other arrangements results in inurement of impermissible private benefit or (iii) any activities could jeopardize its status as a tax exempt, charitable organization.
- (C) *Notification of Transactions.* Before meetings of the Board or applicable committee, appropriate Parties will generally be sent information on transactions to be considered at the meeting to allow Parties to disclose in advance any Conflicts. The UIAA's Board (or its Conflicts Committee, if constituted) or legal counsel will be available to answer any questions with respect to such issues. If any transaction for which advance notice was not given is to be discussed during a meeting, a Party must immediately disclose any Conflict prior to discussions of the transaction. If the Board deems it appropriate, the Party may be asked to leave the meeting during discussion of the transaction involving the Conflict.
- (D) *Negotiation of an Approved Interested Transaction.* If the Board approves a transaction that involves a Party's Conflict, only disinterested Parties may participate in negotiations related to the transaction unless the UIAA has expressly waived the Conflict and approved the conflicted Party's participation.

(6) Violation of the Conflict of Interest Policy

- (A) *Reporting a Failure to Disclose a Conflict.* If a Party has reasonable cause to believe that another Party has failed to disclose a Conflict, that Party must inform the Board (or Conflicts Committee, if constituted) in writing immediately upon learning such information.
- (B) *Discussion and Review.* Upon receiving notification of a Party's failure to disclose a Conflict, the Board shall inform the Party with the alleged Conflict regarding the basis for such belief and afford the Party an opportunity to explain the alleged failure to disclose.
- (C) *Enforcement.* If the Board determines that the Party has, in fact, failed to disclose a Conflict, it shall recommend that the Board take appropriate action, which may include rescission of the transaction and/or expulsion of the Party from the UIAA.
- (D) *Ratification.* After the material facts of the conflicted transaction and the Party's interest is fully disclosed or otherwise made known, the Board may ratify the transaction.

III. Confidentiality Policy

(1) Confidential Information

The UIAA's activities include obtaining information and data from and about donors and potential donors; communicating with donors, potential donors and others; and developing lists, data, compilations, plans, methods, procedures, proposals, projects, transactions, strategies, software, trade secrets, personnel plans, collaborations, compensation plans, and other proprietary materials essential for the UIAA to carry out its mission ("Confidential Information")⁴. Each Party recognizes that he or she may have access to or receive disclosure of Confidential Information in connection with performing services for the UIAA. Notwithstanding that the UIAA encourages Parties to utilize their expertise for the benefit of the UIAA and to discuss openly their thoughts and analysis, subject to limited exceptions, discussions of UIAA business must be kept confidential. Except as required to perform duties for the UIAA, as expressly authorized by the UIAA or as required by law, no Party may disclose, directly or indirectly, to any third party or use for any purpose any Confidential Information learned by the Party as a result of his or her relationship with the UIAA.

⁴ Certain information may not be considered Confidential Information, if a Party can establish by competent proof (such as by written evidence) that the information (i) was in the public domain at the time of disclosure; (ii) was in the Party's possession at the time the information became available through association with the UIAA; (iii) was developed independently without access or other reference to any Confidential Information; or (iv) was learned from a third party legally entitled to disclose such information.

(2) UIAA Agreements with Third Parties

The UIAA and the Parties recognize that, in pursuing its mission, the UIAA may need to enter into confidentiality or similar agreements with third parties. This policy's confidentiality section contains guiding principals. The UIAA will seek to comply with these guiding principals, subject to any confidentiality obligations that may govern any third-party agreements.

(3) Legal Process

If a Party is ever required by operation of law, court order or other legal process to disclose Confidential Information, the Party will, if permitted by law, give the UIAA prompt written notice and consult with the UIAA prior to any disclosure.

(4) Return and Destruction of Materials

Unless the UIAA expressly approves in writing, no Party may copy any materials containing Confidential Information relating to the UIAA or its projects (including in preparation for a meeting). If materials containing Confidential Information are provided to a Party before a meeting, the Party must bring the materials to the meeting where it is to be discussed. After the meeting, the materials will be collected and, if appropriate, destroyed. If a Party cannot attend a meeting, the Party must promptly return the materials to the UIAA for destruction.

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Please complete Parts A and B and return them to the Chair of the UIAA.

Part A. Acknowledgment

I hereby acknowledge that I have received a copy of The University of Iowa UIAA's *Conflicts of Interest and Confidentiality Policy* and that I have read and understand it. I agree to comply with the policy and all procedures described in it.

Printed Name (of individual or entity): _____

Relationship to the UIAA: _____

Signature: _____

Date: _____

Part B. Disclosure Statement

- (A) Please list the name of all entities that do or may do business with the UIAA in any capacity and in which:
- i. You have, or a family member or an associate has, an actual or potential compensation, ownership, investment or other financial interest; or
 - ii. You are, or a family member or an associate is, an officer, director, trustee, employee or a substantial contributor.

(For each entity list the name, address and nature of interest)

(B) Please list all entities that have a potential for gain or loss as a direct result of the UIAA's action on any matter and in which:

- (i) You have, or a family member or an associate has, an actual or potential compensation, ownership, investment or other financial interest; or
- (ii) You are, or a family member or an associate is, an officer, director, trustee, employee or a substantial contributor.

(For each entity list the name, address and nature of interest)

I certify that the above information is correct to the best of my knowledge.

Printed Name (of individual or entity): _____

Relationship to the UIAA: _____

Signature: _____

Date: _____