

# Longwood University Foundation, Inc.

## Code of Ethics

### Statement of Values

Any Code of Ethics is built on a foundation of widely shared values. These values will inform and guide the actions that the Longwood University Foundation, Inc. in developing policies and business practices. The core values of the Foundation include:

- Integrity
- Decision-making for the betterment of the University
- Commitment to excellence, the public good and maintaining the public trust
- Positive, enthusiastic support as ambassadors for the University
- Belief that the rule of law outweighs individual desires or expediency
- Responsible, proactive stewardship of resources
- Appropriate independence and interdependence in regard to the University
- Gift acceptance consistent with University goals and strategic plans
- Commitment to diverse board representation from many constituencies
- Recognition that board responsibilities include increasing the assets of the Foundation as well as managing them

### Conflict of Interest Policy

1. **Scope.** The following statement of policy applies to each member of the Board of Directors of the Longwood University Foundation, Inc. It is also intended to serve as guidance for all persons employed by the Foundation or the University in positions of significant responsibility for the activities of the Foundation.
2. **Ethical Responsibility.** Members of the Board of Directors of the Foundation serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board are to be made solely on the basis of a desire to promote the best interest of the Foundation, Longwood University and the public good. The integrity of the Foundation and Longwood University must be protected and advanced at all times.

Men and women of the character to serve on the Board inevitably are involved in the affairs of other institutions and organizations. An effective board cannot consist of individuals entirely free from at least perceived conflicts of interest. Although most such potential conflicts are and will be deemed to be inconsequential, it is everyone's responsibility to ensure that the Board is made aware of situations that involve personal, familial or business relationships that may be troublesome for the Foundation or Longwood University. *Thus, the Board requires each Board member, annually (1) to review this policy; (2) to*

*disclose any possible personal, familial or business relationships that reasonably could give rise to a conflict of interest involving the Foundation or Longwood University; and (3) to acknowledge by his or her signature that he or she is in accordance with the letter and spirit of this policy.*

3. **Disclosure.** All Board members are required to disclose *only those substantive relationships* that they maintain (or members of their families maintain) with organizations that do business with the Foundation, Longwood University or any related or affiliated organization, or which otherwise could be construed to potentially affect their independent, unbiased judgment in light of their decision-making authorities or responsibilities. Any uncertainties as to the appropriateness of listing a particular relationship may be resolved by consultation with the Chief Operating Officer of the Foundation or the Chief Financial Officer of the Foundation, who in turn may consult with the President of the Foundation, President of the University, Executive Committee of the Board of Directors in executive session, or legal counsel if warranted.

Information disclosed or provided by any person pursuant to this policy shall be held in confidence except when, after consultation with that person, the best interests of the Foundation or Longwood University would be served by disclosure.

The following definitions are provided to assist Board members in determining whether to disclose a particular relationship:

*Substantive Relationship.* One in which a Board member, officer or family member, or an organization with which the Board member, officer or family member has a business relationship (1) does substantial business with the Foundation or Longwood University or any related or affiliated organization or (2) has other direct or indirect dealings with the Foundation, Longwood University or any related or affiliated organization from which the Board members, officer or family member benefits directly, indirectly or potentially from cash or property receipts totaling \$10,000 or more annually.

*Business Relationship.* One in which a Board member, officer, family member is an officer, director, employee, partner, trustee, controlling stockholder or the actual or beneficial owner of more than 5 percent of the voting interest of an organization.

*Family Member.* A spouse, parents, siblings, children or any other relative of a Board member or officer if the latter resides in the same household as the Board member or officer.

4. **Gifts, Benefits and Confidential Information.**  
No director or employee of the Foundation shall:

- Solicit or accept money or other thing of value (other than gifts of nominal value) for services performed within the scope of his official duties, except expenses or other remuneration (including, with respect to employees, salaries, overtime, bonuses and other compensation) paid by the Foundation;
- Willfully use for his own personal advantage or that of another party confidential information (including without limitation member lists and donor lists) that he has acquired by reason of his position and that is not available to the public;
- Accept any money, loan, gift, favor or service that might reasonably appear to influence him in the discharge of his duties;
- Accept any business or professional opportunity wherein the Director or employee may gain a financial benefit under circumstances where he knows or should know that there is a probability that the opportunity is being afforded him with intent to influence his conduct in the performance of his official duties.

5. **Restraint on Participation.** Board members or officers who have declared or have been found to have a conflict of interest shall refrain from consideration or proposed transactions, unless for special reasons the Board administration requests information or interpretation. Persons with conflicts shall not vote, participate in discussion or be present at the time of the vote. Any proposed transaction in which a conflict of interest has been declared or found to exist must be approved by a majority of the disinterested members of the Board or the appropriate committee of the Board after disclosure of the conflict of interest.

## Practical Application of the Code of Ethics

All staff, board members and volunteers of the Longwood University Foundation, Inc. are expected to act with honesty, integrity and openness in all their dealings as representatives of the organization. High standards, ethical behavior, personal integrity, and impartiality are inherent to the reputation and ultimate success of Longwood University and the Longwood University Foundation, Inc.

In keeping with these norms, foundation officers, directors, and staff must refrain from engaging in any behavior that might be construed as self-dealing or in conflict with the mission, goals, and fundamental purpose of the foundation. Examples of such behavior may include but are not limited to the following:

1. Serving on boards of organizations that are in direct programmatic competition with the Longwood University Foundation, Inc.;
2. Using equipment or other resources of the foundation to secure outside personal gain;
3. Citing participation in the Foundation to advance personal, political, or profit-motivated activities;
4. Overstating one's credentials;

5. Non-disclosed or subsequent criminal charges;
6. Actions that cause damage or reduce financial support;
7. Actions that damage University or Foundation reputation;
8. Disclosing to outside parties plans and other information on Longwood University or the Foundation when such information is not readily available to the general public;
9. Leveraging involvement with the Foundation to secure favorable rates, discounts, or other preferential treatment;
10. Accepting gifts exceeding nominal value; and,
11. Staff engaging in outside employment that may interfere or create a potential conflict of interest. Outside employment should be disclosed in writing.

## Resolution of a Conflict of Interest

When an apparent or potential conflict with this policy arises, the individual with the conflict is expected to disclose in writing, the existence of the conflict to any one of the following individuals; the Chief Operating Officer of the Foundation, Chief Financial Officer of the Foundation, President of the University or President of the Foundation. Reporting such a conflict provides an opportunity for review. Once a disclosure is made it will be reviewed by senior management and the President of the Foundation who will report such activity to the Chairman of the Audit Committee as appropriate. In most instances, it is anticipated that the disclosure itself along with nonparticipation in any discussions or decision with respect to a conflict of interest will be sufficient. Each situation will be handled on a confidential basis.