

February 22, 2023

TO: Members of the Board of Trustees

FROM: Kimberly Fearney
Associate Vice President and Chief Compliance Officer

RE: Approval of the Policy on Board of Trustees Conflict of Interest

RECOMMENDATION:

That the Board of Trustees approve the Policy on Board of Trustees Conflict of Interest.

BACKGROUND:

Per the *By-Laws of the University of Connecticut*, the Board appoints the President; determines the general policy of the University, including the establishment of new schools and colleges; makes laws for its government; manages its investments; and directs the expenditure of funds. As such, in carrying out its public trust, the adoption of this Policy by the Board of Trustees will enhance public confidence in the Board. Nothing in this Policy shall supersede any responsibilities a Board member may have under the *State Code of Ethics for Public Officials*.

This Policy applies to all members of the Board of Trustees, including appointed, ex-officio, and elected members, as well as non-Board of Trustee voting members of a Board Committee. In addition to this policy, a Board Committee may adopt their own policy to guide the identification and review of conflicts of interest.

This Policy includes guidance and instruction related to a Board Member's fiduciary responsibilities, the use of authority and/or information, competition or diversion of opportunity, and it defines and outlines a process for the disclosure, determination, and addressing of conflicts of interest.

The Joint Audit and Compliance Committee approved this Policy on December 16, 2023.

UConn

Title	Board of Trustees Conflict of Interest, Policy On
Policy Owner	Office of the Board of Trustees
Applies to	Trustees, Non-Trustee Members of Board Committees
Applicability	The Board of Trustees
Effective Date	TBD
For More Information Contact	Executive Secretary to the Board of Trustees
Contact Information	boardoftrustees@uconn.edu
Official Website	http://boardoftrustees.uconn.edu

PURPOSE

Per the *By-Laws of the University of Connecticut*, the Board appoints the President; determines the general policy of the University, including the establishment of new schools and colleges; makes laws for its government; manages its investments; and directs the expenditure of funds (see Article I). As such, in carrying out its public trust, the Board of Trustees has adopted this Policy to enhance public confidence in the Board. Nothing in this Policy shall supersede any responsibilities a Board member may have under the *State Code of Ethics for Public Officials*.

APPLIES TO

This Policy applies to all members of the Board of Trustees, including appointed, ex-officio, and elected members as well as non-Board of Trustee voting members of a Board Committee (“Board Members”). In addition to this policy, a Board Committee may adopt their own policy to guide the identification and review of conflicts of interest.

POLICY STATEMENT

Fiduciary Responsibilities. Board Members will act in a manner consistent with their fiduciary responsibilities to the University. Board Members will place the University’s interests ahead of their private interests. Board Members will exercise their powers and duties in the best interests of the Board and the University and for the public good.

Use of Authority/Information. Board Members will not use their positions, or any privileges or information attendant to their offices, to obtain or provide others with a benefit that is inconsistent with the policies of the University. No Board Member will solicit or accept any gift, loan, or other item of value, or the promise thereof in the future, which would tend to influence improperly the manner in which the Board Member performs their duties.

Competition or Diversion of Opportunity. No Board Member will knowingly compete with the University for any property, asset, or opportunity that may be of interest to the University unless the University has been informed of the opportunity on a timely basis and has declined to act on it. No Board Member will divert to another individual or entity an opportunity that may be of interest to the University unless the University has first been informed of the opportunity and has declined to act on it.

Conflict of Interest. (a) A conflict of interest exists when financial interests or other opportunities for the personal benefit of a Board Member, member of their immediate family or an associated business may compromise the Board Member’s independence of judgment in fulfilling their Board duties. (b) Board

Members will endeavor to remain free from the influence of any conflicting interest in fulfilling their Board duties. Board Members will exercise care that no detriment to the University results from conflicts between their interests and those of the University.

Disclosure of Conflicts. If a Board Member believes that they may have a conflict of interest or is notified of a complaint of non-compliance with this Policy, the Board Member shall promptly and fully disclose the potential conflict to the Executive Secretary to the Board of Trustees and shall refrain from participating in any way in the matter until the conflict question has been resolved. The Executive Secretary to the Board of Trustees shall inform the Chair of the Board, the President, the General Counsel, and the Chief Compliance Officer of any conflicts of interest which have been disclosed to the Executive Secretary.

Determining Conflicts. The opinion of the Chief Compliance Officer, following consultation with the Executive Secretary of the Board of Trustees and General Counsel, shall be final in regard to determining compliance with this Policy. The Executive Secretary to the Board of Trustees may consult with the remaining members of the Board, or other appropriate University personnel, in making the determination.

Addressing Conflicts. If it is determined that a conflict of interest exists, the Chair of the Board, the President, the Executive Secretary of the Board, and the General Counsel shall work with the affected Board Member to address the conflict and explore alternative arrangements that would eliminate the conflict. If after reasonable efforts, it is not possible to reach a mutually acceptable alternative arrangement, the Board Member shall be excluded from participating in the transaction or matter relating to the conflict. If it is determined the Chair of the Board has a conflict, the same process outlined above will be followed, without participation of the Chair.

Violations. If a Board Member fails to disclose a conflict of interest or a conflict is otherwise discovered after the fact, the matter shall be forwarded to the Executive Secretary to the Board of the Trustees for review. The full Board of Trustees shall review the matter and determine corrective action, which may include, but is not limited to, termination of a contract or other appropriate measures.

The Chief Compliance Officer, in consultation with the General Counsel, may develop guidelines and procedures to implement this policy.

POLICY HISTORY

Policy created: *12/16/2022 (Approved by Joint Audit & Compliance Committee)*
XX/XX/XXXX (Approved by the Board of Trustees)