

The Foundation at NJIT



CONFLICT OF INTEREST POLICY

Adopted: March 7, 2024

The Foundation at NJIT is an independent, not-for-profit, 501(c)(3) tax-exempt organization that raises, manages, stewards, and distributes all philanthropic gifts in support, and on behalf, of New Jersey Institute of Technology, the State of New Jersey's only public polytechnic research university. The Foundation at NJIT ("the Foundation") is governed by a Board of Directors, formerly known as the Board of Overseers.

The Board of Directors' legal and fiduciary responsibilities for the Foundation include the duty of loyalty, which requires that, with respect to any and all matters pertaining to the Foundation at NJIT, the members of the Board of Directors, both individually and collectively, must put the interests of the Foundation ahead of all competing interests and must not take advantage of their position with the Foundation for personal or private gain, either for themselves, any friend or family member, or any other organization in which they may have an interest. Members of the Board of Directors and officers of the Foundation share a commitment to the highest standards of professional conduct and accountability to our stakeholders, including donors, prospective donors, and beneficiaries of their philanthropy.

The purpose of this Conflict of Interest Policy, and the Disclosure Form which accompanies it, is to help identify situations that present actual, potential, and/or perceived conflicts of interest and to specify procedures for reporting, reviewing, and managing them. This Policy is intended to supplement, not supersede, any applicable federal and state laws governing conflicts of interest applicable to not-for-profit organizations such as the Foundation at NJIT.

The Internal Revenue Service (IRS) requires tax-exempt entities such as the Foundation at NJIT to file Form 990, "Return of Organization Exempt From Income Tax," each year. This form contains several questions designed to meet the transparency and accountability needs of the states, the public, and the local communities served by the tax-exempt organization. This Conflict of Interest Policy, and the Disclosure Form which accompanies it, serves as a mechanism for collecting the information necessary to complete IRS Form 990.

Guiding Principles and Procedures

1. *Disclosure.* Annually, all members of the Board of Directors ("Board members"), together with officers of the Foundation at NJIT (i.e., the President and Secretary), are required to

disclose those substantive relationships, as defined below, that give rise to, or may give rise to, a conflict of interest or an appearance of a conflict of interest in the context of the Board member's or officer's service on behalf of the Foundation. Any uncertainties as to the appropriateness of listing a particular substantive relationship may be resolved by consultation with the President of the Foundation, who, in turn, may consult with the university's General Counsel or other legal counsel, the Board's Executive Committee, or the Foundation Board of Directors in executive session. 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 New Jersey Institute of Technology would be served by disclosure.

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

- a. *Substantive Relationship.* One involving the Foundation, New Jersey Institute of Technology, or any of their affiliates in which the Board member, the officer, a family member of the Board member or officer, or an entity in which any of the foregoing persons is a director, trustee, officer, or general partner, or has a material financial or influential interest, has a direct or indirect financial interest.
- b. *Material Financial or Influential Interest.* A person has a material financial or influential interest in any entity in which such person is an officer, director, employee, partner, trustee, controlling stockholder, or the actual or beneficial owner of more than 5 percent of the voting or profits interest.
- c. *Family Member.* A Board member's or officer's spouse, parents, siblings, children, or any other relative who resides in the same household as the Board member or officer or over whose financial affairs the Board member or officer has discretionary authority, even if they do not reside in the same household. The definition of a family member also includes individuals with whom the Board member or officer is in a romantic or dating relationship.

If there are material changes in his or her substantive relationships during the year, the Board member or officer shall promptly amend his or her Disclosure Form, attached as an appendix to this policy, for the purpose of disclosing those material changes.

In addition, prospective Board members and officers must complete the Disclosure Form prior to starting service in his or her role with the Foundation.

Foundation staff will annually distribute a copy of this Conflict of Interest Policy and the Disclosure Form to Board members and officers by email promptly after the end of the

Foundation's fiscal year (June 30). This email will include a link to a secure on-line survey tool, which an individual may use to complete and sign the Disclosure Form.

The completed Disclosure Forms shall then be reviewed by the President of the Foundation and reported to the Audit & Finance Committee and Governance Committee of the Foundation Board of Directors. The Audit & Finance Committee and the Governance Committee shall make recommendations to the Executive Committee, as each or both deems appropriate, with respect to reported conflicts.

The Executive Committee may enlist the assistance of the university's General Counsel or of outside counsel in reviewing and addressing both actual and apparent conflicts reported in the Disclosure Forms.

2. *Prohibition on Gifts or Other Benefits.* Board members and officers shall not accept benefits, favors, gifts, or other items of value from a third party (i.e., an entity or organization other than the Foundation, the University, or one of their affiliates) that might affect the exercise of such person's judgment on behalf of the Foundation, might tend to impair confidence in the Foundation, or might create an appearance of impropriety. Notwithstanding the foregoing, board members may accept *de minimis* benefits having a value of less than \$100 per source per occasion.
3. *No Financial Relationship with Foundation, University, or Affiliates Unless Disclosed and Approved.* No Board member or officer shall have any substantive relationship as director, trustee, officer, partner, employee, advisory board member or consultant with or to, or have any substantial financial interest in, any investment entity in which, or with which, the Foundation, New Jersey Institute of Technology, or any of their affiliates has an investment without prior approval of a majority of those voting on the investment and recusal of the Board member with the relationship. No Board member shall have any financial interest in any transaction between, on the one hand, the Foundation, New Jersey Institute of Technology, and/or their affiliated entities and, on the other, a third party (i.e., commission, finder's fee, annual fee, etc.), unless disclosed in advance to, and approved unanimously by, the Foundation Board of Directors' Executive Committee, except, however, that if such conflict arises in connection with an investment decision, then the conflict should be disclosed in advance to, and approved unanimously by, the Joint Investment Committee, with the unanimous vote recorded in the meeting minutes. This prohibition covers any substantive and material financial interest. This prohibition does not apply to interests in publicly-traded securities.

If the Foundation, New Jersey Institute of Technology, and/or their affiliated entities has an investment relationship with an entity in which a Board member has an interest at the time the Board member joins the Joint Investment Committee, the Foundation may maintain that investment relationship, provided, however, that in deliberations relating to that investment

relationship, the Board member having an interest shall absent himself or herself from the room and shall not otherwise participate in discussions and decisions relating to that investment relationship. All such recusals shall be recorded in the meeting minutes.

4. *No Use of Foundation Information.* No Board member or officer shall, for personal gain or for the gain of other organizations or individuals with which he or she is associated, use any information not available to the public-at-large that was obtained as a result of service to the Foundation.
5. *Financial Interest in a Proposed Transaction Involving the Foundation, University, or Affiliates.* When a Board member who is on the Joint Investment Committee has a direct or indirect financial interest in a brokerage firm, an investment manager, a limited partnership or hedge fund entity, or other investment arrangement that is being considered by the Joint Investment Committee, and that Board member discloses such interest to the Joint Investment Committee, the Board member shall withdraw from the Joint Investment Committee's deliberations on such investment or transaction (an "Affected Transaction"). When evaluating an Affected Transaction, the Joint Investment Committee shall carefully review the circumstances of the actual or apparent conflict and evaluate alternative transactions where such an actual or apparent conflict does not exist. If the Joint Investment Committee nevertheless decides to proceed with the Affected Transaction, the Joint Investment Committee must affirmatively determine that the Affected Transaction is fair and reasonable and that it is in the Foundation's (or the University's or the affiliated entity's) best interests to enter into the Affected Transaction. Such affirmation shall be recorded in the meeting minutes.
6. *Fair and Reasonable.* All transactions in which a Board member has declared or been found to have an actual, potential, or perceived conflict of interest, whether or not such transaction involves an investment decision, must be fair and reasonable and in the Foundation's best interests.
7. *Scope.* In applying this Policy, the substance and not the form of the transaction shall be the paramount consideration (i.e., the appearance of a conflict of interest in any transaction is also covered by this policy). Interests of a Board member or an officer shall include direct and indirect interests, i.e., the Policy shall apply to activities performed by a Board member or an officer either directly or through another person. For this purpose, the term "person" includes natural persons as well as partnerships, corporations, companies, associations, limited liability entities, and other organizations.
8. *Consequences.* Timely receipt of a completed Disclosure Form is essential in order for the Foundation to assess and manage any risks posed by actual, potential, and/or perceived conflicts of interest, as well as to comply with the requirements of IRS Form 990. As noted above, Foundation staff will annually distribute a copy of this Conflict of Interest Policy and

the Disclosure Form to Board members and officers by email promptly after the end of the Foundation's fiscal year (June 30). That email will also include a link to a secure on-line survey tool, which an individual may use to complete the Disclosure Form. In the event that a Director or officer has not returned a *completed and signed* Disclosure Form by July 31 of each year, then the individual's service on the Board of Directors of the Foundation at NJIT or as an officer of the Foundation will cease automatically on August 1.

Confidentiality

The individual Disclosure Forms shall be held by the Foundation at NJIT as confidential to the extent permitted by law, but shall be available for review by any Foundation officer or Board member in carrying out his or her duties to the Foundation. The Disclosure Forms will be archived as part of the Foundation's confidential records in perpetuity.

Managing Conflicts of Interest

A conflict of interest exists when a Board member or officer is in a situation in which his or her own self-interest and the interests of the Foundation, New Jersey Institute of Technology, or any of their affiliates are, or may appear to be, in conflict. A common example of a conflict of interest occurs when a Board member runs a business that sells a good or service that the Foundation or New Jersey Institute of Technology might need or wish to acquire and has a chance to influence the purchasing decision.

While some conflicts of interest must be diligently avoided, others may be managed in such a way as to protect the Foundation and the Board members and officers, as well as New Jersey Institute of Technology and any of its and/or the Foundation's affiliates, from the appearance of impropriety. Typically, managing the conflict involves these steps.

1. DISCLOSE THE CONFLICT

- a. Each Board member is asked annually to review the Conflict of Interest Policy and complete a Disclosure Form disclosing actual and potential conflicts of interest.
- b. These Disclosure Forms will be disseminated and collected by Foundation staff, and, upon receipt, will be reviewed by Foundation staff, the Audit & Finance Committee and the Governance Committee of the Foundation Board of Directors, and, as warranted, the Board's Executive Committee.
- c. If a conflict of interest is known by staff but is not disclosed by a Board member, staff will ask the Board member to revisit the Disclosure Form.
- d. Examples of conflicts of interest that should be disclosed:

- (1) A Board member is partner in an accounting firm that would like to do business with the Foundation, New Jersey Institute of Technology, or any of their affiliates.
- (2) A Board member is part owner of a catering business that would like to do business with the Foundation, New Jersey Institute of Technology, or any of their affiliates.
- (3) A Board member is an officer, partner, employee or beneficial owner of an investment management company with which the Foundation, New Jersey Institute of Technology, or any of their affiliates do business.

2. RECUSAL

- a. If a Board member has a conflict of interest and the Board or a committee of the Board is making a decision relevant to the conflict of interest, the Board member should recuse himself or herself from the vote and any discussion preceding the vote. All recusals will be recorded in the meeting minutes.
- b. Notwithstanding the foregoing, the committee may ask questions of the Board member to help inform their decision prior to the conflicted Board member leaving the room, meeting, or call, as the case may be.

The Foundation at NJIT



CONFLICT OF INTEREST DISCLOSURE FORM

This Disclosure Form, administered annually, is intended to protect the Foundation at NJIT, the members of its Board of Directors, the Foundation's officers, New Jersey Institute of Technology, and any of its and/or the Foundation's affiliates, by affording the Foundation ample opportunity to forestall any potential conflicts and assure that all Board, Committee, and Officer decisions and actions are above reproach. This Form must be completed and signed each year by all members of the Foundation at NJIT's Board of Directors and Officers of the Foundation at NJIT.

To allow the Foundation to monitor and promptly address any potential conflicts, please (1) identify below any substantive relationships, financial or personal, that may constitute actual, potential, and/or perceived conflicts of interest, or (2) confirm that no such actual or potential conflicts are known to exist.

The following represent interests or relationships that are or may be perceived to be in conflict with my legal and fiduciary responsibilities as a Director or Officer of the Foundation at NJIT:

1. Personal, familial, or business relationships that might reasonably give rise to a conflict (or the appearance of a conflict) involving the Foundation at NJIT, New Jersey Institute of Technology, and/or their affiliated entities.

2. A family or business relationship with any other Director or Officer of the Foundation at NJIT, New Jersey Institute of Technology, and/or their affiliated entities.

3. Outside employment or service (any outside employment or provision of outside services by you or any member of your family that may be in conflict with your position as a Board member or Officer of the Foundation at NJIT).

4. Outside interests, financial and other (including any ownership or other interests or position held such as serving as an officer, director, trustee, or partner) which you or any member of your family hold in any outside concern or entity doing business with the Foundation at NJIT, New Jersey Institute of Technology, and/or their affiliated entities. (such as a vendor).

5. Any other potential issues or conflicts:

OR:

As of today's date, I have none of the financial, professional, or personal relationships listed above.

I have read and am familiar with the Foundation at NJIT's Conflict of Interest Policy pursuant to which this Disclosure Form is filed, and agree to fulfill my duties as a member of the Foundation at NJIT's Board of Directors in accordance with its letter and spirit. I have disclosed all potential conflicts of interests of which I am aware, and I agree to file promptly a further Disclosure Form if any additional matters subject to disclosure arise before my next annual Disclosure Form is due.

Name: _____

Signature: _____

Date: _____