

Advancement | UCF Foundation, Inc.

Conflicts of Interest in Authorizing Expenditures Policy

Policy# 7.23

Effective Date: 12/15/2020

Responsible Department: Accounting

1. **PURPOSE**

The purpose of this policy is to provide guidance if conflict of interest arises as the University of Central Florida Foundation, Inc. establishes and maintains funds to accept, invest and disburse gifts that are received for the benefit of the University of Central Florida (University). The disbursement of funds is authorized at an appropriate level in accordance with donor restrictions, Internal Revenue Service (IRS) requirements, and Foundation policies. Special signature arrangements may be required for authorization when there is a potential or perceived Conflict of Interest and University Conflict of Interest guidelines may apply. All University employees are required to follow the University Code of Ethics for Public Employees policy listed on the University General Counsel's website.

2. **APPLICABILITY**

This policy applies to all University employees requesting payment from or administering Foundation funds.

3. **POLICY**

Due to IRS regulations related to not for profit organizations, the Foundation will require that a Project Authorizer, or anyone involved in the purchasing process, inform and request advance approval in writing from the Foundation Chief Executive Officer (CEO) or Chief Financial Officer (CFO) of any potential Conflict of Interest in the purchasing process, including, but not limited to, examples of transactions listed below.

1. For Conflict of a Project Authorizer with Payee

An individual who is authorized to sign on the project, may not authorize the specific expenditure in question. A special signature arrangement will be required, where the expenditure will be authorized by the next higher level of signatory, under the following circumstances:

- a) When the signer, any of his or her Immediate Family, or any Business Affiliate of the signer are being reimbursed directly for any expense incurred by them;
- b) When the signer or any of his or her Immediate Family is receiving a scholarship from the project;
- c) In situations where the potential Conflict of Interest relates to a vendor or independent contractor for the acquisition of goods or services. In these cases, university guidelines will also be followed, State of Florida statutes (**112.311**) requires that no employee shall have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of his or her duties in the public interest:

- See the University General Counsel's summary on Code of Ethics for Public Employees.

- See the purchasing department's procedure manual, 4202.7 EMPLOYEE CONFLICT OF INTEREST AND GRATUITIES.

2. For Conflict with Insider of Foundation

Payments related to potential Conflict of Interest with an Insider of the Foundation will be disclosed and approved in advance and additional requirements may apply including approval of the Foundation Board Finance Committee. An Insider is any person who, during the last five years, was in a position to exercise substantial influence over the affairs of the organization. A Conflict of Interest will be deemed to exist whenever an individual (such as a Foundation Board member) is in the position to approve or influence Foundation policies or actions which involve or could ultimately benefit financially: (a) the individual; (b) any Immediate Family; or (c) any organization in which he or a family member is a director, trustee, officer, member, partner or more than 10% of the total (combined) voting power. See the list of Foundation Board members at the following website: <https://www.ucffoundation.org/board-of-directors>

Please see the Foundation Board's Conflict of Interest Policy for additional information.

3. For Situations when a Project Authorizer donates to a project

In situations where the potential Conflict of Interest relates to a Project Authorizer who donates to a project that he or she administers, the Project Authorizer would have to redirect their donation to a project that they do not have authority to sign or redirect their donation to a scholarship project that meet the criteria noted here. If the project is specifically identified as a scholarship, the project receives donations from multiple sources, and a selection committee oversees the selection of scholarship recipient, then the Project Authorizer may sign payment requests even when he or she has also donated to the project.

There may be other situations in which a potential Conflict of Interest may arise. Please consult with the Foundation CFO on how to address such situations.

4. **CLARIFICATION**

Requests for clarification of this policy should be sent to the Associate Vice President and Chief Financial Officer.

Certified as approved by the Executive Committee of the Foundation Board of Directors on December 15, 2020.

Name: Rachel Schaefer

Title: Associate Vice President for Advancement Strategy and Chief Operating Officer

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