

SOUTHWEST TENNESSEE COMMUNITY COLLEGE FOUNDATION

CODE OF ETHICS

1. Preamble. Integrity, credibility, ethical leadership and management of the highest order are the goals that the Southwest Foundation aspires to faithfully meet in all of its activities. These goals are absolutely essential to achieve the mission of the Southwest Foundation which is to build and provide the "margin of excellence" for students, faculty, donors, and all persons served by the Southwest Foundation. In doing so, the Foundation will meet the highest expectation by fulfilling the public trust and the best interest of the Southwest Foundation.

As required by Tennessee Code Annotated Section 49-7-107, the Southwest Foundation establishes and adopts this Code of Ethics to apply to and govern the conduct of all Members of the Southwest Foundation Board of Trustees.

2. Scope. The following statement of policy applies to each member of the Board of Trustees and to all officers of the Southwest Tennessee Community College Foundation. It is also intended to serve as guidance for all persons employed by Southwest in positions requiring significant staff responsibility regarding Foundation activities.
3. Fiduciary Responsibilities. Members of the Board of Trustees and officers 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 and officers should be made solely on the basis of a desire to promote the best interests of Southwest Tennessee Community College, the Southwest Foundation and the public good and trust. The integrity of the Foundation and Southwest Tennessee Community College must be protected and advanced at all times and in every decision and action undertaken.

People of substance 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 each person's solemn responsibility to ensure that the Board is made aware of situations that involve personal, familial or business relationships that may be questionable for the Southwest Foundation or Southwest Tennessee Community College. *Thus, the Board requires each Board member and officer 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 Southwest Foundation or Southwest Tennessee Community College; and (3) to acknowledge that he or she is in accordance with the letter and spirit of this policy.*

4. Disclosure. All Board members and officers are requested to disclose only those substantive and business relationships that they maintain (or members of their families maintain) with organizations that conduct business with the Foundation, Southwest Tennessee Community College or any related or affiliated organization, or which otherwise may 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 President of the Foundation, who in turn may consult with legal counsel, the Executive Committee of the Board of Trustees, or the Board of Trustees 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 Southwest Foundation or Southwest Tennessee Community College would be served by the disclosure.

The following definitions are provided to assist Board members and officers 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 benefits directly, indirectly or potentially from cash or property receipts.

Business Relationship. One in which a Board member, officer or 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, or serves in similar capacities with non-profit organizations, including other universities and colleges.

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.

5. Restraint on Participation. Board members or officers who have declared or have been found to have a conflict of interest as defined herein shall refrain from consideration of proposed transactions, unless for special reasons the Board or 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.

6. Removal of Board Member for Violations. Any Board member or officer found to have willfully committed a material violation of this Code of Ethics may be removed as provided by state law.

Each officer or member of the Board of Trustees for the Southwest Foundation is provided a copy of the Southwest Foundation's Code of Ethics and Tennessee Code Annotated Section 49-7-107 that requires foundations for state universities and colleges to adopt a Code of Ethics at the time of his or her nomination for election. By virtue of election, officers and members of the Board of Trustees for the Southwest Foundation agree to abide by the Code of Ethics, and disclose any conflicts of interest that arise under the Southwest Code of Ethics during their service as an officer or member of the Board of Trustees.