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| Subject: Statement of Values and Code of Conduct | Effective Date: January 26, 2007 | Pages 1 of 3 |
| | Supersedes: | |
| | Responsible Authority: General Counsel | |

STATEMENT OF VALUES AND CODE OF CONDUCT

I. Personal and Professional Integrity

All staff, board members and volunteers of the USM Foundation shall act with honesty, integrity and openness in all their dealings as representatives of the USM Foundation. The USM Foundation shall promote a working environment that values respect, fairness and integrity.

II. Mission

The USM Foundation has a clearly stated mission and purpose, approved by the Board of Directors. The mission is responsive to the constituency and communities served by the USM Foundation.

III. Governance

The USM Foundation has an active governing body that is responsible for setting the mission and strategic direction of the USM Foundation and oversight of the finances, operations, and policies of the USM Foundation. The governing body:

- Ensures that its board members or trustees have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of the USM Foundation and its public purpose;
- Has a conflict of interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means; and
- Is responsible for the hiring, firing, and regular review of the performance of the chief executive officer, and ensures that the compensation of the chief executive officer is reasonable and appropriate;
- Ensures that the CEO and appropriate staff provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties;
- Ensures that the USM Foundation conducts all transactions and dealings with integrity and honesty;
- Ensures that the USM Foundation promotes working relationships with board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness and openness;

- Ensures that the USM Foundation is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;
- Ensures that policies of the USM Foundation are in writing, clearly articulated, officially adopted and appropriately disseminated;
- Ensures that the resources of the USM Foundation are responsibly and prudently managed; and,
- Ensures that the USM Foundation has the capacity to carry out its programs effectively.

IV. Legal Compliance

The USM Foundation is knowledgeable of and complies with all laws and regulations, including Board of Regents policies applicable to affiliated foundations.

V. Responsible Stewardship

The USM Foundation manages its funds responsibly and prudently. This should include the following considerations:

- It spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
- It compensates staff, and any others who may receive compensation, reasonably and appropriately;
- It has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs;
- It prudently draws from endowment funds consistent with donor intent and to support the public purpose of the USM Foundation;
- It ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the USM Foundation; and,
- All financial reports are factually accurate and complete in all material respects.

VI. Openness and Disclosure

The USM Foundation provides comprehensive and timely information to the public, the media, and all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about the USM Foundation will fully and honestly reflect the policies and practices of the USM Foundation. Basic informational data about the USM Foundation, such as the Form 990, reviews and compilations, and audited financial statements will be posted on the USM Foundation's website or otherwise available to the public. All solicitation materials accurately represent the USM Foundation's policies and practices and will reflect the dignity of program beneficiaries. All financial, USM Foundational, and program reports will be complete and accurate in all material respects.

VII. Evaluation

The USM Foundation regularly reviews its effectiveness and has mechanisms to incorporate lessons learned into future practices. The USM Foundation is committed to improving its service to the University System of Maryland, its constituent institutions and affiliated foundations. The USM Foundation is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

VIII. Fundraising

The USM Foundation is truthful in its solicitation materials. The USM Foundation respects the privacy concerns of individual donors and expends funds consistent with donor intent. The USM Foundation discloses important and relevant information to potential donors.

In raising funds from the public, the USM Foundation will respect the rights of donors, as follows:

- To be informed of the mission of the USM Foundation, the way the resources will be used and their capacity to use donations effectively for their intended purposes;
- To be informed of the identity of those serving on the USM Foundation's governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities;
- To have access to the USM Foundation's most recent financial reports;
- To be assured their gifts will be used for the purposes for which they were given;
- To receive appropriate acknowledgement and recognition;
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law;
- To expect that all relationships with individuals representing USM Foundations of interest to the donor will be professional in nature;
- To be informed whether those seeking donations are volunteers, employees of the USM Foundations or hired solicitors;
- To have the opportunity for their names to be deleted from mailing lists that an USM Foundation may intend to share; and,
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.¹

IX. This Code of Conduct was adapted from a model Statement of Values and Code of Ethics promulgated by the INDEPENDENT SECTOR February 4, 2004.

¹ These ten points are taken from A Donor Bill of Rights, developed by the American Association of Fund Raising Counsel, the Association for Healthcare Philanthropy, the Council for the Advancement and Support of Education, and the Association of Fundraising Professionals, and endorsed by the USM Foundation.