

## **COLLEGE SAVINGS TRUST FUND PROGRAM CONFLICT OF INTEREST POLICY**

### **I. Purpose**

The purpose of this policy is to identify, evaluate and disclose any actual or potential conflicts of interest that a member of the board of trustees of the College Savings Trust Fund Program may have in serving on the Board. The activities of Board Members shall not conflict, or have the appearance of conflicting, with the provision of full and unbiased service to the public. By signing the Attestation and Disclosure Form, each member will attest to compliance with this policy and disclose any actual or potential conflicts of interest. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest.

### **II. Definitions:**

- A. Attestation and Disclosure Form: A form each Board Member should complete on an annual basis to disclose any actual or potential conflicts of interest and attest to reading, understanding, and agreeing to fully comply with this Conflict of Interest Policy.
- B. Board: The Board of Trustees of the College Savings Trust Fund Program.
- C. Board Member: An individual appointed to the Board pursuant to Tenn. Code Ann. §49-7-804. This includes a Board Member's designee.
- D. Conflict of Interest: A material interest that may affect or may appear likely to affect a Board Member's judgment or conduct while serving on the Board. A conflict of interest is material if an ordinary person would take it into account in making a decision.
- E. Trust Fund: The educational investment trust fund or the educational services trust fund established pursuant to Tenn. Code Ann. § 49-7-812.

### **III. Requirements**

- A. Each Board Member shall disclose all actual and potential conflicts of interest and attest to reading, understanding, and agreeing to fully comply with this policy by completing the Attestation and Disclosure Form.
- B. A Board Member shall disclose, immediately upon identification, any actual and potential conflicts of interest. A Board Member shall not vote on a matter or participate in discussion on a matter should there be a conflict of interest as defined in Section II.D of this policy.

- C. In the event that a Board Member has a question about this policy, he or she should contact the Tennessee Department of Treasury's Assistant Treasurer for Legal, Compliance and Audit. The Assistant Treasurer for Legal, Compliance and Audit shall be responsible for compliance oversight with respect to applicable laws and rules relative to a Board Member conflict of interest.

#### **IV. Prohibited Activity**

- A. Each Board Member shall avoid any action, whether or not specifically prohibited by statute or regulation, which might result in or create the appearance of:
  - 1. Using public office for private gain;
  - 2. Giving preferential treatment to any person;
  - 3. Impeding government efficiency or economy;
  - 4. Losing complete independence or impartiality;
  - 5. Making a government decision outside of official channels; or
  - 6. Affecting adversely the confidence of the public in the integrity of the government.
- B. A Board Member shall not have a personal interest in the gains or profits of any investment made by the Board. See Tenn. Code Ann. §49-7-817.
- C. A Board Member shall not directly or indirectly use the gains or profits of any investment made by the Board, except to make any current and necessary payments authorized by the Board. See Tenn. Code Ann. §49-7-817.
- D. A Board Member shall not become an endorser or surety or in any manner an obligor for money loaned or borrowed from the Board. See Tenn. Code Ann. §49-7-817.
- E. A Board Member, or a member of his or her immediate family residing in the same household, shall not receive salary payment, unreasonable expense reimbursements, loans, gifts, free services, or any other fees from an entity that has or is seeking to obtain contractual or other business or financial relationship with the Board.
- F. A Board Member, or a member of his or her immediate family residing in the same household, shall not hold office with, serve on a Board with, participate in management of, or be employed by an entity with which the Board has invested Trust Funds.
- G. A Board Member shall not participate, directly or indirectly, in any decision relative to Board business which has resulted in or can result in a personal, professional or financial interest, benefit or gain for the Board Member or a member of his or her immediate family residing in the same household; however, should a Board Member, or a member of his or her immediate family residing in the same household, participate in a college

savings account administered by the Board, that participation shall not result in a violation of this provision.

- H. A Board Member, or a member of his or her immediate family residing in the same household, shall not receive remuneration for services with respect to individual transactions associated with an entity with which the Board has invested Trust Funds.
- I. A Board Member, or a member of his or her immediate family residing in the same household, shall not use State personnel, equipment, supplies, facilities or property for purposes not related to the Board Member's service on the Board.
- J. A Board Member, or a member of his or her immediate family residing in the same household, shall not appropriate, to his or her personal benefit, any business or other opportunities relating to an entity with which the Board has invested Trust Funds.
- K. A Board Member, or a member of his or her immediate family residing in the same household, shall not use confidential information obtained through or in connection with the Board appointment for personal, professional or financial gain or to compete with the entity with which the Board has invested Trust Funds.

**Revision History:**

The following revisions have been made to this Policy since initial publication:

<b>Revision Date</b>	<b>Material Change(s)</b>
07/17/2017	The policy was updated to comply with PC 400 and the corresponding terminology changes. An Attestation and Disclosure Form was created and attached to the policy.
07/16/2014	Initial adoption