



Ethics Disclosure Policy

Effective April 3, 2025

Individuals covered under the policy: HCC Foundation Board of Directors, President, HCC employees assigned to the HCC Foundation (Staff Members), HCC Foundation-hired staff, and Other Volunteers serving on HCC Foundation Committees (known throughout this document as Responsible Persons).

Introduction

1. The participation of the Responsible Persons in external activities that enhance their professional skills or constitute public service can be beneficial to the HCC Foundation. External activities provide an opportunity to discover and pass on new knowledge, with the formation of alliances that enhance the Foundation's missions.
2. External activities can lead to ethical concerns about such Responsible Persons' responsibilities to the HCC Foundation. As such, this policy is intended to provide a framework for recognizing and managing such Responsible Persons' ethics disclosure, and whenever possible, to prevent even the appearance of ethical concern or impropriety. While the primary goal of this policy is to prevent a Responsible Persons's external activities from adversely influencing HCC Foundation operations, this policy is also intended to protect such Responsible Persons from undue suspicion that their external activities may improperly influence HCC Foundation operations.
3. Responsible Persons have the responsibility of administering the affairs of the HCC Foundation honestly and prudently, and of exercising their best skill, care and judgment for the sole benefit of the HCC Foundation. Those Responsible Persons will exercise the utmost good faith in all transactions involved in their duties, and they will not use their positions with the HCC Foundation or knowledge gained there from for their personal (members of their families) benefit. The interests of the HCC Foundation must be the first priority in all decisions and actions.

A. Statement of General Policy

1. It is the policy of the HCC Foundation that the Responsible Person conduct the affairs of the HCC Foundation in accordance with the highest legal, ethical, and moral standards. The policy is intended to protect the HCC Foundation's best interests when it is contemplating entering into a transaction that could confer excess benefits on an interested person.

2. It is the policy of the HCC Foundation that ethical concerns including conflicts of interest should be avoided where possible, or otherwise disclosed and managed.
3. It is the policy of the HCC Foundation that the Responsible Persons shall not use their HCC Foundation position to secure personal financial benefits for themselves or any member of their immediate family. An ethics concern arises whenever such Responsible Person has the opportunity to influence HCC Foundation operations or business decisions in ways that could result in a personal financial benefit to the Responsible Person or a member of their immediate family. Although certain definitions of ethics concerns are provided in this policy, they are meant only as examples, and the Responsible Persons are expected to use good judgment to identify possible ethical concerns including conflicts of interest and to manage such so as not to adversely influence the HCC Foundation operations nor adversely impact the reputation of the HCC Foundation.
4. Nothing in this policy shall be construed to permit, even with disclosure, any activity that is prohibited by law.

B. Definitions

1. **Ethics Concerns** - Situations arise when a Responsible Person, or their immediate family member receives a personal financial or other benefits from such individuals in a way that may inappropriately influence their judgment or compromise their ability to fulfill the Foundation's responsibilities. The Ethics Disclosure Policy exists to provide transparency and ensure that such situations do not undermine the integrity of the Foundation nor negatively impact the HCC Foundation's reputation and relationship with HCC.
2. **External Activity** – External Activity means involvement with any person, trust, organization, enterprise, government agency, or other entity that is not an entity associated with or under the control of the HCC Foundation.
3. **Responsible Persons** – HCC Foundation Board of Directors, President, HCC employees assigned to the HCC Foundation (Staff Members), HCC Foundation-hired staff, and Other Volunteers serving on HCC Foundation Committees.
4. **Immediate Family** – Includes the Responsible Person's spouse, domestic partner, ancestors, parents, including step-parents, siblings (whether of the whole or half blood), children (natural, adopted, or step), grandchildren, great grandchildren, and spouses of siblings, children, grandchildren and great grandchildren.
5. **Manage and Managing** - Means an affirmative action by the Board of Directors and staff managers to monitor and direct an employee with regards to specific expectations.

6. **Personal Financial Benefit** – Is defined as anything of monetary value, including salary, commissions, fees, honoraria, equity interests, interests in real or personal property, dividends, royalty, rent, capital gains, intellectual property rights, and forgiveness of debt. “Personal financial benefit” excludes the following:
 - a. compensation received from HCC Foundation;
 - b. payments from not-for-profit entities for participation in seminars, lectures or other educational activities;
 - c. payments from government or not-for-profit entities for participation on advisory committees or review panels;
 - d. any financial interest arising solely by means of investment in a mutual, pension, or other institutional investment fund over the management and investments of which the Responsible Person or an associated immediate family member does not exercise control.
7. **HCC Foundation** – Represents the Houston Community College Foundation.
8. **HCC Foundation Responsibilities** – They are defined as the responsibilities of a Board of Director or Staff Member to perform HCC Foundation activities as defined by the HCC Foundation management member.

C. Policy Provisions

1. The Responsible Person shall disclose to the President any situation in which the employee has a real or potential ethics disclosure. The President shall determine an appropriate way to manage the ethics disclosure and ensure that the HCC Foundation business is not improperly influenced or adversely affected. In the event that the President concludes that there is no reasonable way to manage an ethics disclosure, then the Responsible Person may be prohibited from participating in related HCC Foundation affairs. In other words, the Responsible Person has a responsibility to immediately disclose any real or potential ethics disclosures, and the President has a duty to manage them in the best interests of the HCC Foundation. An ethics disclosure is not a question involving a person’s competing or respective duties to the HCC Foundation and another charity, such as by serving on the boards of two charities that does not involve a financial interest of, or benefit to, such a person.
 - a. A Responsible Person shall disclose an ethics concern in writing on the HCC Foundation’s Ethics Disclosure Form, including a brief statement of the nature and extent of the ethics concern, which shall be submitted for review by the President. This disclosure should be completed at least annually, on a form designated by the HCC Foundation for such purposes.

A new disclosure form should also be completed whenever there is a significant change.

b. If the President becomes aware of an ethics concern that a Responsible Person has not disclosed, the President shall discuss the situation with the Responsible Person and require a written disclosure be made as provided in this policy and manage the ethics concern. The President may also take appropriate action under Section F of this policy.

c. The President shall carefully evaluate all circumstances relating to a potential ethics concern before acting to approve or disapprove the associated activities.

2. The following are examples of ethics concerns requiring the Responsible Person's disclosure. These examples are not meant to be exclusive.

a. The Responsible Person or immediate family member owns, in whole or in part, a business entity with which the HCC Foundation does or proposes to do business, and the Responsible Person is in a decision-making role or otherwise is in a position to influence the HCC Foundation's business decisions regarding the business entity. Business entity examples for which a Responsible Person disclosure is required:

- i) Finance or accounting services
- ii) Athletic equipment services
- iii) Consulting
- iv) Counseling
- v) Catering
- vi) PC or other hardware services
- vii) Programming
- viii) Architectural services
- ix) Legal services
- x) Grant preparation
- xi) Temporary personnel services
- xii) Office or lab supplies
- xiii) Painting services
- xiv) Lawn and grounds services
- xv) Real Estate Services

b. The Responsible Person holds or assumes an executive, officer or director position in a for-profit or not-for-profit business or entity engaged in commercial, educational, or research activities similar to those in which the HCC Foundation engages.

c. The Responsible Person participates in consultation activities for a for-profit or not-for-profit business or entity engaged in commercial, educational or research activities similar to those of the HCC Foundation.

3. The activities listed below are prohibited:

a. Using HCC Foundation property, facilities, equipment or other resources in any manner that results in personal financial benefit to the Responsible Person or their immediate family member.

b. Using HCC Foundation property, facilities, equipment or other resources in any manner to support a not-for-profit entity or HCC or HCC Foundation affiliated group or committee unless special permission is provided by the HCC Foundation President.

c. Using HCC Foundation stationery or letterhead in connection with outside activities, other than activities having a legitimate relationship to the performance of the HCC Foundation business.

d. Using HCC Foundation facilities or the Responsible Person's position at the HCC Foundation for the purpose of advocating, endorsing, or marketing the sale of any goods or services, other than as part of the Responsible Person's HCC Foundation responsibilities, without the prior approval of the HCC Foundation President.

e. Using the HCC Foundation's name, trademark or trade name for personal business or economic gain to the Responsible Person or their immediate family member.

f. Using any HCC Foundation data or information for personal financial benefit to the Responsible Person or their immediate family member.

g. Using any Responsible Person for any outside activity during normal work time for which he or she is receiving compensation from the HCC Foundation (not applicable when Staff Members are on a paid or unpaid leave).

h. Soliciting or accepting gifts, gratuities, receiving personal financial benefit, free travel or any other item of value from any person or entity as

a direct or indirect inducement to provide special treatment with respect to matters pertaining to the charity without fully disclosing such an exchange to the President.

i. Participating in the selection or awarding of a contract between the HCC Foundation and any entity with which the Responsible Person is seeking employment or has been offered employment.

j. Other activities may be prohibited if the President concludes that there is no reasonable way to manage an associated ethical concerns.

D. HCC Foundation Staff Member Responsibilities

1. HCC Foundation Staff Member shall not engage in the prohibited activities listed above or in any other activity that the employee's President has prohibited following review of an employee's ethical concerns disclosure.
2. HCC Foundation Staff Member shall disclose an ethics concern as described below:
 - a. As soon as the HCC Staff Member knows of the ethics concern, and then annually thereafter for as long as the ethical concern continues to exist.
 - b. In writing on the HCC Foundation's Ethics Disclosure Form to the President.
3. HCC Foundation Staff Member shall avoid any involvement in the ethical concern activities and decisions until the President has evaluated the reported ethical concern.
4. If there is any question whatsoever about an external activity representing an ethical concern, then the HCC Foundation Staff Member should consult with the HCC Foundation President for direction.

E. President Responsibilities

1. The President shall ensure that all Responsible Persons are informed of this policy.
2. The President shall ensure that all Responsible Persons are reminded of this policy on a periodic basis, but no less frequently than annually.
3. The President shall evaluate and manage reported ethical concerns.
4. In the event that a reported ethical concerns is approved, the President shall ensure there is an appropriate management strategy in place to monitor and manage the situation so that the HCC Foundation resources are used in an

appropriate manner and that there is no improper influence on HCC Foundation decisions.

5. The President shall ensure that Ethical Disclosure forms are retained for future reference. All information disclosed regarding ethical concerns shall be considered part of the Responsible Person's file and shall be deemed confidential.
6. The President shall establish and maintain a work environment that encourages the Responsible Persons to ask questions about real or potential ethical concerns including periodic updates to the disclosure form involving the Governance Committee. These actions will be documented in the meeting minutes.
7. If the President has any question whatsoever about an external activity representing an ethical concern, then he or she should consult with the Board Executive Committee.

F. Sanctions for Violation

1. Violations of HCC Foundation policies, including the failure to avoid a prohibited activity or disclose a ethical concerns in a timely manner, will be dealt with in accordance with applicable HCC Foundation policies and procedures for the Responsible Persons, which may include disciplinary actions such as loss of voting rights or termination from HCC Foundation Board Membership/employment.
2. The President's decisions regarding a reported ethical concerns may be appealed to the Board Executive Committee.
3. Refer to the HCC personnel policies for the HCC Foundation employee group.
4. This Ethical Concerns policy does not supersede the HCC employees assigned the HCC Foundation responsibility to follow and adhere to HCC policies.