

**ACCOUNTABILITY POLICY**

As an Iowa nonprofit corporation, the majority of the provisions of the Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, do not apply to Iowa State University Foundation (the “Foundation”). Two provisions of the act (whistleblower protection and document destruction) do apply to all entities (including nonprofits) as they are amendments to the federal criminal code. The Foundation has adopted policies relating to both of these provisions. In the spirit of promoting a culture of transparency, accountability and good governance, the Foundation has voluntarily adopted the following policies and procedures, which are not required but represent best practices.

**Independence of Auditor**

Annual Audit

The Foundation will have an annual financial audit, conducted by an independent certified public accounting firm with skills and experience in the area of not-for-profit accounting. All staff providing information to the firm have an obligation to cooperate and not interfere with the audit process.

Non-Audit Services

The Foundation supports the independent status of its audit firm by restricting use of the firm for other services. The Foundation will seek approval from its audit committee for any non-audit services sought from the audit firm if such services are expected to exceed 5% of the annual audit fee.

Rotation of Auditor

The Foundation will reassess its audit services periodically by requesting proposals for such services from major certified public accounting firms. This reassessment shall be conducted by the audit committee and shall occur no less frequently than once every five (5) years.

Employment Restrictions

In the event the Foundation hires a controller or chief financial officer who, during the preceding twelve (12) months was employed by a certified public accounting firm and served on the Foundation’s audit engagement team, such firm shall be prohibited from serving as auditor of the Foundation for a period of no less than one (1) year.

**Employee and Board Member and Board Committee Member Integrity**

Code of Ethics

The Foundation shall implement and maintain a code of ethics (found on the Foundation website at [www.foundation.iastate.edu](http://www.foundation.iastate.edu)), applicable to all employees and board members and board committee members. The code adopted by the Foundation defines the expectation to conduct

business in an ethical manner and embraces specific principles relating to personal and professional conduct.

### Conflict of Interest Policy

The Foundation enforces and adheres to a conflict of interest policy for all applicable volunteers and management staff and board members and board committee members. Those individuals shall exercise the utmost good faith in all transactions involved in their duties and shall not use their positions for personal benefit.

### Loans Prohibited

The Foundation will not extend personal loans to any of its staff, board members, board committee members, governors, or employees of Iowa State University.

### **Transparency**

The Foundation aspires to show its donors, volunteers, staff, and public its openness and willingness to provide information regarding finances, operations, governance, and impact. This information can be found on the foundation website ([www.foundation.iastate.edu](http://www.foundation.iastate.edu)).

### **Preservation of Nonprofit Status**

The Foundation shall monitor and uphold legal and regulatory requirements to maintain its current status as an Iowa nonprofit corporation generally exempted from Federal income taxation as a section 501(c)(3) publicly-supported entity.

Reviewed and approved by the ISU Foundation board of directors April 29, 2022.

Reviewed and approved by the ISU Foundation board of directors April 26, 2019.

Reviewed and approved by the ISU Foundation board of directors June 11, 2016.

Approved by the ISU Foundation board of directors October 4, 2013.

Reviewed and approved by the ISU Foundation board of directors April 16, 2010.

Reviewed and approved by the ISU Foundation board of directors April 21, 2006.

Reviewed and approved by the ISU Foundation board of Directors May 21, 2004.

Approved by the ISU Foundation board of directors October 2, 2003.