

**CONFLICT OF INTEREST POLICY**  
**Updated 10/15/16**

**Article I**  
**Purpose**

The purpose of the conflict of interest policy is to protect the Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee, an officer, committee member, volunteer or employee of the Foundation and to ensure that all of its dealings with third parties are unbiased and free from any actual or perceived conflict of interest. This policy is intended to supplement but not replace any applicable state law governing conflicts of interest applicable to nonprofit and tax-exempt organizations.

**Article II**  
**Definitions**

1. Interested Person

Any member of the Board of Trustees, officer, committee member, volunteer, or employee who has a direct or indirect financial interest of the types defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment or family--

a. an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement;

b. a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement;

c. an ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement;

d. is a creditor of any entity or individual with which the Foundation has a transaction or arrangement;

e. has any cause of action against, or dispute with, any entity or individual with which the Foundation has a transaction or arrangement;

f. has any personal or professional relationship with any entity or individual with which the Foundation has a transaction or arrangement; or

g. has a significant ownership, governance, or management relationship with a direct business competitor of the Foundation or any entity or individual with which the Foundation has a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest shall have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

## **Article III**

### **Procedures**

#### 1. Duty to Disclose

In connection with any actual or possible financial conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the Board of Trustees or members of committees considering the proposed transaction or arrangement. The disclosure required by this section may be in writing, on a form prescribed by the Board of Trustees, and shall be submitted no less frequently than annually. Disclosure forms shall be updated on an interim basis by the interested person whenever there has been a material change in the underlying facts and circumstances. The disclosure may also be made verbally at a meeting of the Board of Trustees.

#### 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person desired by the Board of Trustees or committee, he or she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists. If a conflict of interest is found to exist, it shall be addressed as set forth below. If no conflict of interest is found to exist, the transaction or arrangement may be approved by the Board or committee if it is fair and reasonable and in the best interests of the Foundation. If the committee wishes, they may refer this decision to the Board.

#### 3. Procedures for Addressing the Conflict of Interest

a. If a conflict of interest is found, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

b. The Chair of the Board or committee shall conduct a discussion of the conflict and its effect on the Foundation. The Chair may, if the Board or committee deems it appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After discussion and exercising any due diligence that may be necessary or appropriate, the Board or committee shall determine whether the conflict is sufficiently insubstantial that it may be waived. If the Board or committee determines that further inquiry is appropriate, it may proceed to determine whether the Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is fair and reasonable and in the Foundation's best interests and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

a. If the Board has reasonable cause to believe that an individual subject to this policy has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the individual and making such further investigation as may be warranted under the circumstances, the Board determines that the individual has in fact failed to disclose an actual or possible conflict of interest without good cause, it shall take appropriate disciplinary and corrective action.

**Article IV**

**Records of Proceedings**

The minutes of the Board and all committees shall contain--

1. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.

2. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**Article V**

**Compensation Committees**

A voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

**Article VI**

**Annual Statements**

Each member of the Board of Trustees, officer, committee member, volunteer, or employee of the Foundation shall annually sign a statement which affirms that such person--

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands the policy, and
- c. has agreed to comply with the policy.

CERTIFICATION REGARDING CONFLICT OF INTEREST POLICY

I have read and understand the above Conflict of Interest Policy and agree to abide by the same.

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Name (Print)

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Signature

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Date