Conflict of Interest Policy for Directors and Officers

Article I
Purpose

The purpose of the conflict of interest policy is to protect the Foundation’s interest when:

a. It is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction; or

b. An officer or director has other commitments that might present a challenge in terms of competing duties and responsibilities.

This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations.

Article II
Definitions

1. Interested Person

Any director, officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as 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, or

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

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

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

A person has a competing interest if the person has other duties and responsibilities by virtue of his or her employment or other volunteer commitments that may cause the potential for a conflict between the duties owed to his/her employer or other volunteer organization and the duty owed to the Foundation. A competing interest might not be financial in nature.

**Article III**

**Procedures**

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of any financial interest or other competing interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest or other competing interest and all material facts, and after any discussion with the interested person, 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.

3. Procedures for Addressing the Conflict of Interest

An interested person may make a presentation at the board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The President of the board or chairperson of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the board or committee shall 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Foundation. The board or committee 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

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the director or member and after making further investigation as warranted by the circumstances, the board or committee determines the director or member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest or other competing interest in connection with an actual or possible conflict of interest, the nature of the financial interest or other competing 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.

b. 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 with the proceedings.

Article V
Compensation

A voting member of the board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of 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.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
Article VI
Annual Statements

Each director, officer and member of a committee with board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflict of interest policy,
b. Has read and understands the policy,
c. Has agreed to comply with the policy, and
d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

An additional Conflict of Interest Disclosure Form should be completed by any director, officer or member of a committee with board delegated powers and given to the Foundation’s President or Secretary if a conflict of interest arises during the year.

Article VII
Periodic Reviews

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article IX
Confidentiality

All officers, directors or members of a committee with board delegated powers are subject to a continuing obligation to maintain the confidentiality of information provided to them as a result of their service to the Foundation which is sensitive or proprietary in nature and is reasonably expected to remain confidential. For example, and not intended to be a limitation, all board and committee discussions held in executive session, deliberations, personnel matters, financial matters, strategic plans and other information of a confidential nature that has not been released by virtue of board or committee minutes, reports or other documents that are intended for publication should be maintained as confidential.