

## 3055 Conflict of Interest

### 1. General

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 or employee of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**b. Interested Person** - any trustee, member of a committee with governing board delegated powers or employee who has a direct or indirect financial interest is an interested person

### 2. Definitions

**c. Financial Interest** - a person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,
- (2) a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- (3) 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.

### 3. Duty to Disclose

Each trustee and employee will annually disclose to the President and CEO all financial interests as defined above held by themselves or their family members that are relevant to the Foundation and any areas of involvement that may be considered as a "conflict of interest" as defined above. The President and CEO shall provide all disclosure statements to the Executive Committee or other designated committee to consider the proposed transaction or arrangement. The Executive Committee or other designated committee will make the determination if a conflict of interest exists and then offer remedies for resolution.

**a. Conflict of Interest** - encompasses any situation in which an interested person uses, or is in a position to use, his or her influence and authority within the Foundation to advance his or her own personal or financial interest, or financial interests of his or her immediate family

#### **4. Violations of the Conflicts of Interest Policy**

If the Executive Committee or other designated 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 member's response and after making further investigation as warranted by the circumstances, the Executive Committee or other designated committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **5. Records of the Proceedings**

Minutes of the Executive Committee or other designated committee meetings shall contain 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 Executive Committee or other designated committee decision as to whether a conflict of interest in fact existed. The minutes shall also contain 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. A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.