

Conflict of Interest Policy

Approved January 19, 2016

Policy Statement

The Board members, committee members, volunteers and staff of the Community Foundation of the Great River Bend (CFGRB) are encouraged to play active roles in their communities by serving as Board members or being otherwise involved with a wide spectrum of nonprofit organizations. This means that from time to time potential Conflicts of Interest or the appearance of such Conflicts will inevitably arise. It is CFGRB's policy to record and address such Conflicts in as open and appropriate a manner as possible.

Definitions

In this document, the Community Foundation of the Great River Bend and its affiliate component funds are collectively referred to as "CFGRB". Similarly, the Board members, committee members, volunteers and staff of CFGRB and its affiliate component funds are collectively referred to as "Employees and Volunteers."

Conflict of Interest

A Conflict of Interest is any situation where personal interests, including those of an Immediate Family Member (as defined below), friend or associate, could harm an individual's ability to make sound, objective decisions on CFGRB's behalf. This includes situations in which it could reasonably appear personal interests have improper influence.

Certain activities are considered by CFGRB to be Conflicts of Interest, including but not limited to, situations:

- where an Employee or Volunteer makes a decision, or acts with motivations or makes additional considerations other than in "the best interests of CFGRB".
- where an Employee or Volunteer personally contracts with CFGRB outside the CFGRB role, or where he/she is a director of other organizations which are contracting with CFGRB,
- where an Employee or Volunteer learns of an opportunity for profit which may be valuable to him/her personally or to another organization of which he/she is a member, or to other persons known to the Employee/Volunteer. This includes situations where an Employee or Volunteer serves on the Board of an organization that is, or may reasonably become, a grantseeker,
- where an Employee or Volunteer, in any circumstance as related to the organization, puts his/her personal interests ahead of the best interests of CFGRB,
- where a voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CFGRB for services, votes on matters pertaining to that member's compensation,
- where any voting member of the CFGRB Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CFGRB, either individually or collectively, provides information to any committee regarding compensation.

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A voting CFGRB Board member or affiliate Advisory Board member will declare any Conflict of Interest, be it real, potential, or apparent, which is not immediately obvious with regard to any matter being discussed in their presence during a meeting.

Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment or family:

- an ownership or investment interest in any entity with which CFGRB has a transaction or arrangement,
- a compensation arrangement with CFGRB or with any entity or individual with which CFGRB has a transaction or arrangement,
- a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CFGRB 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. In addition, a Financial Interest is not the only circumstance under which a real or perceived Conflict of Interest could exist.

Immediate Family Member

Refers to the spouse, parent, child or other individual living in the same household.

Interested Person

Any director, principal officer, or member of a committee with CFGRB Board delegated powers, who has a direct or indirect Financial Interest, as defined above, is an Interested Person.

Conflict of Interest Purpose and Applicability

Purpose

To identify and prevent transactions that result in private benefit at the expense of CFGRB, and to maintain the public trust, fairness and integrity, this policy provides a framework to evaluate and minimize the potential for real or perceived Conflicts of Interest.

This policy offers a description of activities of concern. It is designed to ensure compliance with applicable laws, and to assist Employees and Volunteers in determining when a potential Conflict of Interest exists, and the appropriate procedures for mitigating and documenting the steps taken.

Some examples have been provided to inform the reader of when a real or perceived Conflict of Interest may exist. The examples are intended to enhance the understanding of this subject - not serve as an exhaustive list of all possible Conflicts. Employees and Volunteers who are uncertain whether a circumstance falls under this policy must seek guidance from the CFGRB President.

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Applicability

This policy applies to all Employees and Volunteers of CFGRB.

Conflict of Interest Minimum Requirements

Duty to Disclose

In connection with any actual or possible Conflict of Interest, an Interested Person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the directors and members of committees with CFGRB Board delegated powers considering the proposed transaction or arrangement.

Disclosure involving directors should be made to the CFGRB Board chair, who shall bring these matters, if material, to the Board.

Disclosure in the organization should be made to the President (or if she or he is the one with the Conflict, then to the CFGRB Board chair), who shall determine whether a Conflict exists and is material, and if the matters are material, bring them to the attention of the CFGRB Board chair.

Determining Whether a Conflict of Interest Exists

After disclosure of the interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the CFGRB Board or committee meeting while the determination of a Conflict of Interest is discussed and voted upon. The Board shall determine whether a Conflict exists and is material, and in the presence of an existing material Conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to CFGRB. The decision of the CFGRB Board on these matters will rest in the Board's sole discretion, and their concern must be the welfare of CFGRB and the advancement of its purpose and will be documented in the minutes.

Procedures for Addressing the Conflict of Interest

- For Conflicts of Interest involving financial matters, including, but not limited to grants, gifts and contracts, an Interested Person may make a presentation at the CFGRB Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest.
- For Conflicts of Interest involving all non-financial matters, an Interested Person may make a presentation at the CFGRB Board or committee meeting, but after the presentation, he/she may attend the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest at the Board Chair's discretion.
- The chairperson of the CFGRB Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

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- After exercising due diligence, the CFGRB Board or committee shall determine whether CFGRB can obtain with reasonable efforts a more advantageous transaction or arrangement 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 CFGRB Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in CFGRB's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflict of Interest Policy

If the CFGRB 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 member's response and after making further investigation as warranted by the circumstances, the CFGRB Board or committee determines the member has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the CFGRB Board and all committees with Board delegated powers 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 CFGRB Board's or committee's decision as to whether a Conflict of Interest in fact existed.
- 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.

The minutes of the affiliate Advisory Board and committee meetings shall contain the same information described above, and be submitted to the CFGRB staff in a timely manner.

Annual Statements

Each Employee and Volunteer of CFGRB shall annually sign a Conflict of Interest Disclosure Statement which affirms such person:

- has received a copy of the Conflict of Interest Policy and Code of Ethics and Conduct,
- has read and understands the policies,
- has agreed to comply with the policies, and
- understands CFGRB 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.

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Further, the Disclosure Statement shall include a disclosure of any relevant outside ties, e.g. any relevant organization for which the person, or an Immediate Family Member, serves on the Board.

Periodic Reviews

To ensure CFGRB 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:

- whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- whether partnerships, joint ventures, and arrangements with management organizations conform to CFGRB'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.

Use of Outside Experts

When conducting the periodic reviews, CFGRB may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the CFGRB Board of its responsibility for ensuring periodic reviews are conducted.

Reporting of Conflict of Interest Involving Another

In the event a CFGRB Employee or Volunteer is aware of a real, potential, or apparent Conflict of Interest involving an Employee or Volunteer other than themselves, and has reason to believe the Conflict has not been disclosed, he or she shall inform the CFGRB President of the circumstances.

Additional Requirements

In addition to the requirements set in this policy, CFGRB Employees and Volunteers are bound by the CFGRB "Policy on IRS Section 4958 on Disqualified Persons and Intermediate Sanctions" and the "Code of Ethics and Conduct". Employees and Volunteers shall familiarize themselves with and follow these related policies.

Review of Policy

CFGRB shall review and update this policy on a regular basis, or any time there are changes in regulatory or National Standards requirements.