



Conflict of Interest Policy

REVISED March 2015

Approved by the Board May 5, 2015

I. INTRODUCTION

The Community Foundation of Mendocino County (Foundation) is a publicly supported charitable foundation serving Mendocino County with a mission of offering people effective ways to engage in advancing the well-being of local communities. The Foundation operates within the public trust and strives to maintain the highest code of conduct in all of its operations.

The Foundation recognizes that it can best accomplish its mission when the Board of Directors, volunteer committee members, staff and other groups associated with the foundation represent the diverse interests, cultures, occupations and expertise of the community. Thus, the Foundation recognizes that members of the Board of Directors and others representing or affiliated with the Foundation will from time to time face possible conflicts of interest or situations in which the appearance of conflict of interest could be detrimental to the Foundation and the communities it serves.

The Foundation adopts this Conflict of Interest Policy in recognition of its responsibility to the public trust and of the importance of fairness and objectivity in its conduct of business. It serves as a means of assuring that every decision of the Foundation is made in the interest of the Foundation and the communities it serves and as a means of publicly codifying its expectations of board, staff and volunteers, and others serving the Foundation.

This Conflict of Interest Policy applies to all persons holding positions of responsibility and trust on behalf of the Foundation, including but not limited to members of the Board of Directors, non-Board members of Board Advisory Committees, volunteer committee members, and members of the Foundation staff (hereinafter "Foundation Representatives"). This Policy shall be provided to each Foundation Representative at the time that he or she is asked to serve the Foundation.

II. CONFLICT OF INTEREST POLICIES ADOPTED BY THE FOUNDATION

A "Conflict of Interest" exists when a Foundation Representative who is in a position to influence a Foundation transaction has a material financial interest that could influence his/her judgment regarding the transaction. The Foundation also wishes to avoid those situations in which an ordinarily prudent person could reasonably conclude that a Foundation Representative's financial or personal interests could have interfered with objective decision making about a Foundation transaction. As a result, Foundation Representatives must fully disclose perceived, potential, and actual conflicts of interest to the appropriate individuals in accordance with this policy in advance of

any decision making and excuse themselves from decisions where a conflict of interest could interfere with objective decision making.

Disclosures need to include the following:

A. Relationships

Relationships of concern- a Foundation Representative or an immediate family member (spouse or equivalent, parents, grandparents, siblings, and children or grandchildren and their spouses) serves as a trustee, Director, staff member or holder of more than 10% of corporate stock of an affected organization or firm; has a formal affiliation or interest in an affected organization or firm; or could expect financial gain or loss from a particular decision.

Material financial interest- Material financial interest in a transaction is evident when a Foundation Representative or an immediate family member has more than a minimal financial interest in the transaction or has an organizational affiliation with a third party entity engaged in or significantly affected by a Foundation transaction. This includes any existing or potential grant/scholarship, financial investment, or business transaction which is intended to be supported by a grant or potential grant from the Foundation, or when a Foundation Representative has an organizational affiliation with third party entity engaged in or significantly affected by a Foundation transaction.

B. Gifts and Favors

It is the policy of the Foundation to prohibit Foundation Representatives from accepting gifts or favors of any kind, including entertainment, travel, use of living quarters, etc. from any prospective, past, or current donor, grant applicant, grantee, supplier, or other person that seeks to do business with the Foundation. Foundation Representatives must not use their Foundation positions for personal gain or advantage or give that appearance.

Incidental Benefits- The receipt of the following types of benefits shall not be a conflict of interest or violate this Conflict of Interest policy:

1. Incidental benefits from the Foundation's grant-making or financial, investment or business transaction, or
2. Benefits received in good faith and without favoritism solely by virtue of being among the class of persons intended to be benefited by charitable or public benefit programs conducted by the Foundation or supported by its grants.
3. This prohibition against gifts or favors does not apply to the following:
 - a. Reasonable meals, refreshments, or entertainment related to advancing the Foundations business
 - b. Advertising or promotion gifts such as pens, pencils, calendars and the like with a value of \$50 or less
 - c. Non-monetary awards or plaques
 - d. If a Director or member of the staff accepts an honorarium from an organization for a speaking engagement or other activity related to the Foundation, the honoraria will become the property of the Foundation.

III. DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

A. Disclosure Forms

Before Foundation Representatives begin their service with the Foundation, they shall file with the Board Chair a list of their principal business activities, as well as involvement with other charitable

and business organizations, vendors or business interests, or with any other associations that might produce a conflict of interest. Such disclosures shall be submitted annually thereafter.

B. Other Disclosure Obligations

In addition to the disclosure required by the previous paragraph, each Foundation Representative is under an obligation to the Foundation, to his or her fellow staff or volunteers, and to the community served by the Foundation to inform the Foundation of any position he or she holds or of any business or a vocational activity that may result in a possible conflict of interest or bias for or against a particular grantee, action or policy, at the time such grant, scholarship, action or policy is under consideration by the Board or any Board Advisory Committee. Any duality or possible conflict of interest on the part of any Foundation Representative shall be disclosed to the Board Chair, Board Advisory Committee Chair (in the case of volunteers), or the President/CEO (in the case of staff members) and made a matter of record as soon as the issue in question is raised and a possible conflict is known.

C. Record of Disclosure

The minutes of any meeting of the Board of Directors or Board Advisory Committee in which the conflict or potential conflict is disclosed shall note the disclosure and the action taken by the Board of Directors or the Board Advisory Committee with regard to the matter disclosed.

IV. BOARD PROCEDURES FOR RESOLUTION OF CONFLICT OF INTEREST ISSUES

A grant or scholarship may be made, or a business transaction entered into, where there is an actual or potential conflict of interest if:

1. The disclosures set forth above have been made.
2. The grant, scholarship, or business transaction would not constitute self-dealing.
3. In case of a grant or scholarship, it met the Foundation's stated eligibility and selection criteria and was found, after an objective review, to carry out the stated programmatic goals and objectives.
4. In the case of a business transaction, the Board determines in good faith that the Foundation has entered into the business transaction for its own benefit, that the transaction is fair and reasonable to the Foundation and that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.
5. The review was conducted and the recommendation arrived at without the involvement or the input of the interested Foundation Representative prior to the relevant Board Advisory Committee or Board meeting where action is taken.
6. The interested Foundation Representative can be present during the Board Advisory Committee or Board discussion of the issues related to the grant or business transaction if they can provide information relevant to committee or board deliberations, but cannot serve as an advocate for or against the grant, scholarship, or business transaction to influence decision-making. The interested Foundation Representative is absent from the room during final Board Advisory Committee or Board deliberations and action or vote, except when items are on a consent calendar when the interested Foundation Representative may be present but not vote.

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**The Community Foundation of Mendocino County
ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM**

For members of the Board of Directors, non-Board members of Board Advisory Committees,
volunteer committee members, and members of the Foundation staff

To be completed at the beginning of each fiscal year (July 1) or thereabouts

NAME	(Please Print)	DATE
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The Board of Directors has an approved Conflict of Interest Policy that applies to Foundation Representatives. Under this policy, Foundation Representatives are required to disclose any actual or potential conflicts of interest. This policy is not intended to restrict the professional and philanthropic activities of Foundation Representatives but is meant to protect them and The Community Foundation.

Please list below your principal business activities and those of your immediate family members (spouse or equivalent, parents, grandparents, siblings, and children or grandchildren and their spouses) and those charitable organizations that employ you or a member of your immediate family or for which one of you serves as a member of the board.

Name of Organization	Nature of Affiliation

GIFTS, PAYMENTS AND COMPENSATION

Please complete the items below if you have received any

- 1. Gifts
- 2. Payments, and/or
- 3. Entertainment

From any organization or business who has received or is requesting a grant, or otherwise doing business or seeking to do business with the Foundation during the past twelve (12) months – see attached list of grantees and vendors.

1. Specify who provided what type of gift, payment or entertainment:

Vendor or Grantee	Gift, payment, entertainment	Date	Approximate Annual Aggregate Value
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. Describe any other situation which may, in your opinion, tend to create a conflict of interest, or the appearance of a conflict, that should be disclosed:

“I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct”:

Date

Signature