



**COMMUNITY
FOUNDATION**
of Western Nevada

COMMUNITY FOUNDATION OF WESTERN NEVADA CONFLICT OF INTEREST POLICY

There was discussion of creating a form for conflict of interest that states there has been no change from the previous disclosure but that conflicts with this policy's request for an annual statement of disclosure (section 6)

I. Purpose

The Board of Trustees deems that it is in the best interest of the Foundation to protect the interest of the Foundation from perceived, potential, or actual conflicts of interest. The policy applies to all aspects of the Foundation's operations, with specific actions required when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable foundations.

II. Definitions

To assist in using this policy, the following definitions are supplied:

- a. Interested Person: Any trustee, director, principal officer, member of a committee or staff member with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Conflict of Interest Disclosure Form: A form every trustee, director, principal officer, member of a committee or staff member must complete annually, which will list any and all organizations, entities, agencies, etc., which they are currently involved with or hold an interest in.
- c. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement; or
 - ii. a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement; or
 - iii. 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 substantial in nature.

III. Violations of Policy

- a. If the board or committee has reasonable cause to believe that 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.

- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

IV. Records of Proceedings

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

- a. the names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the 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 conflict, the content of the discussion, including any alternatives to the proposed transaction or arrangement (for financial interest conflicts), and a record of any votes taken in connection therewith.

V. Compensation Committees

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.

Professionals who receive compensation, directly or indirectly, from the Foundation, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters.

VI. Annual Statements

Each trustee, director, principal officer and member of a committee with board delegated powers, as well as staff, shall annually sign a statement in the form attached which affirms that such person:

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

VII. Periodic Reviews

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

- a. whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. whether acquisitions of property, investments, or services result in inurement or impermissible private benefit.
- c. whether partnership and joint venture arrangements, arrangements with corporations or organizations for services, or contracted services, conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the

Foundation's charitable purposes and do not result in inurement or impermissible private benefit.

- d. whether agreements to provide services and agreements with other organizations, employees, and third parties further the Foundation's charitable purposes and do not result in inurement or impermissible private benefit.

VIII. Use of Outside Experts

In conducting the periodic reviews, the Foundation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

IX. Disclosure of Conflicts

- a. Duty to disclose: In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.
- b. Determining whether a conflict of interest exists: After disclosure of the potential conflict of interest by interested persons serving on grant recommendation committees, scholarship selection committees, Foundation boards or committees, or who are involved in making any recommendation or decision for general Foundation activities, including grant approval, the remaining board or committee members shall decide if a conflict of interest exists.
- c. After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

X. Addressing Conflicts

- a. Grant or scholarship recommendations: The interested person with the conflict of interest shall recuse themselves from that portion of the decision relating to the conflict, and shall not vote or discuss any matters pertaining to the conflict. This shall be duly recorded in the minutes.
- b. Financial interest: The chairperson of the board or 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 in 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 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 is fair and reasonable to the Foundation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.



**COMMUNITY
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of Western Nevada

**Community Foundation of Western Nevada
Conflict of Interest Disclosure Statement**

Name	
Current Employer or other principal business affiliation	
Position	
Please disclose any other employment or financial interest which you or a member of your immediate family may have as either an officer, director, trustee, partner, employee or agent of any business organization, which might give rise to a possible conflict of interest or duality of interest with the Community Foundation of Western Nevada:	
Please disclose all <u>official</u> positions which your or any member of your immediate family may have as a director, trustee or officer of any charitable, civic or community organization as well as any <u>unofficial</u> roles such as significant donor, volunteer, advocate or advisor which might give rise to a possible conflict of interest or duality of interest between you and the Community Foundation of Western Nevada:	
If at any time there is a matter under consideration which may constitute a direct or indirect conflict of interest or duality of interest, it is your obligation to disclose the facts to the Board of Trustees, to abstain from voting and to refrain from using your personal influence on the matter.	
ANNUAL CERTIFICATE	
I, _____, a principal officer, trustee, director, member of a committee, or staff member with Board-delegated authority, hereby certify that I:	
<ul style="list-style-type: none"> A. have received a copy of the Community Foundation of Western Nevada, Inc., Conflicts of Interest Policy dated _____, 2011; B. have read and understand the Policy; C. agree to comply with the Policy; and D. understand that the Community Foundation of Western Nevada, Inc. is a charitable organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. 	
Signature	
Name (printed)	
Date:	Title: