



CONFLICT OF INTEREST POLICY

The Minnesota Council on Foundations believes that effective nonprofit governance depends on deliberate, thoughtful, and unbiased decision making by board members - whether the decisions involve matters of organizational policy, approval of a major transaction, or the wise investment of an organization's funds. The Council also recognizes that the board's ability to make good decisions for the organization is affected by an individual's personal or professional interests.

Based on Minnesota law related to the fiduciary duties of directors, directors have an absolute duty of complete, undivided loyalty to the organization. This duty states that directors avoid conflicts of interest and provide undivided allegiance to the association's mission. A conflict may exist, for example, when a volunteer or employee of the association participates in the deliberation and resolution of an issue important to the association while the individual, at the same time has other professional, business, or volunteer responsibilities outside the association that could bias the individual one way or another regarding the issue. It is important to avoid apparent conflicts of interest as well as actual conflicts of interest.

The Minnesota Council on Foundations is dependent upon members who serve on the board, committees and task forces as volunteers. Accordingly, the Council values, supports and encourages its board, committee and staff members in playing active roles in their communities by serving on boards, volunteering or being actively involved in a wide spectrum of community and/or business organizations. This means that from time to time potential conflicts of interests or the appearance of such conflicts may arise. It is the Council's policy to deal with such conflicts in as open and appropriate a way as possible.

The Council does not make grants to nonprofit organizations; therefore, it generally would not experience conflicts of interest that arise from grantee relationships.

Circumstances that may result in a potential conflict of interest include, but are likely not limited to:

- Hiring of vendors and consultants;
- Decisions on conditions of membership for an organization with which the board or committee member is affiliated;
- Investment of Council funds;
- Potential employment of a director temporarily as staff or as a consultant for a special project;
- Acceptance of fees, gifts or gratuities for speaking, consulting or other services which are either related to services provided by the Council or which conflict with Council services or policies.

In the case of such conflicts or the appearance thereof, it is the responsibility of the Council Board, committee and staff members to disclose the conflict prior to making any related decisions. Once such a disclosure has been made in cases involving the board or committees, the remaining board or committee members will determine whether or not there is a potential conflict of interest. In cases involving the staff, the Council president (or if the president has the potential conflict, the chair of the board) will determine whether or not there is a potential conflict of interest.

For the board and committees, if a conflict of interest is present, the director or committee member involved shall not vote but may remain in the room to answer questions of a factual nature that may assist the board or committee in its deliberations.

Actions to be Taken if a Conflict Exists

**MINNESOTA COUNCIL ON FOUNDATIONS
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To identify potential conflicts, directors, committee members and staff shall annually file a conflict of interest disclosure statement with MCF's chair and president indicating any anticipated or potential conflict situations. This list shall include current board participation and any for-profit vendors used by MCF in which a board, committee or staff member retains an interest.

In addition to the written disclosure statement, any director, committee member or staff having an anticipated or possible conflict on any matter under consideration by MCF shall disclose that situation at all relevant meetings and shall not vote or use personal influence on the matter. The minutes of the meeting should reflect that the director, committee member or staff involved did not vote.

Board approved 8/13/96

POLICY REGARDING CONFLICTS OF INTEREST

It is hereby declared to be the policy of the Community Foundation of XYZ County, Inc. that all members of the board of directors and committees avoid any conflict, or appearance of conflict, between their personal interests and the interests of the Foundation in dealing with any organization or individual having, or seeking to have, any relationship which results or may result in a conflict of interest with the Foundation. In order that this policy may be formalized, the board hereby declares:

1. All board and committee members shall disclose any possible conflict of interest at the earliest practicable time. Such disclosure shall be made a matter of record.
2. No committee member shall vote on any matter, under consideration at a Foundation meeting, in which such member has a possible conflict of interest, but such member may be counted in determining the quorum at such meeting. Such member should be prepared to excuse himself or herself from the room while the matter is discussed and voted on. The minutes of such meeting shall reflect that a disclosure was made and that the member having a possible conflict abstained from voting. The foregoing requirements shall not be construed as preventing the committee member from briefly stating his or her position in the matter, nor from answering the questions of other committee members since his or her knowledge may be of great assistance.
3. A committee member shall be considered to have a possible conflict of interest if: (a) such member has an existing or potential financial or other interest which impairs or might appear to impair such member's independent, unbiased judgment in the discharge of his or her responsibilities to the Foundation, or (b) such member is aware that a member of his or her immediate family or any organization, in which such committee member (or member of his or her immediate family) is an officer, director, employee, partner, trustee or controlling stockholder, has such existing or potential financial or other interest.
4. All candidates for membership on the committee should be advised of this policy prior to assuming their responsibilities as members.
5. The Executive Director will be responsible for seeing that all board members and committee members sign a Conflict of Interest Statement (see attachment A) before conducting business or reviewing grant proposals.

I have read and understand the Community Foundation's Conflict of Interest Statement.

I anticipate no conflict with any of the general business of the Community Foundation of XYZ County, Inc. I agree to disclose any conflict that may arise at the earliest practicable time.

Signed

Date

OR

I find myself in conflict with the following:

Signed

Date