

Community Foundation Alliance, Inc.
POLICY STATEMENT ON CONFLICTS OF INTEREST

Adopted May 14, 2002

1. Conflict of Interest Transactions. A conflict of interest transaction is a transaction with the Corporation in which a (i) Director, (ii) Committee member, (iii) officer, or (iv) the spouse or child of a Director, Committee member, or officer (collectively "Conflicted Person") has a direct or indirect interest. For purposes of this Article, a direct interest includes, but is not limited to, any transaction in which the Conflicted Person (a) has a financial interest, (b) holds a board or committee position, (c) holds an office, or (d) is an employee of another entity involved in the transaction. For purposes of this Article, a Conflicted Person has an indirect interest in a transaction if (a) another entity in which the Conflicted Person has a material interest or in which the Conflicted Person is a general partner is a party to the transaction or (b) another entity of which the Conflicted Person is a director, officer, or trustee is a party to the transaction. An indirect interest does not include any transaction involving individuals who have no relationship to an entity other than paying dues to that entity.

2. Disclosure. When a conflict of interest transaction arises, the Director, Committee member, or officer so affected shall disclose the nature of the conflict and the material facts to the Board or Committee. Upon any disclosure to the Board or Committee of any evidence of conflict of interest, the chair shall rule whether or not the conflict exists.

3. Discussion. After disclosure to the Board or Committee, the Conflicted Person shall be allowed to participate in discussion on the question at the discretion of the chair.

4. Approval of Conflict of Interest Transactions. A conflict of interest transaction is not voidable, or the basis for imposing liability on the Conflicted Person, if the transaction was fair at the time it was entered into or is approved in advance by the vote of the Board of Directors or a committee of the Board if (a) the material facts of the transaction and the Conflicted Person's interest are disclosed or known to the Board or Committee and (b) the Directors or Committee members approving the transaction in good faith reasonably believe that the transaction is fair to the Corporation. For purposes of this section, a conflict of interest transaction is approved if it receives the affirmative vote of a majority of the Directors or Committee members, as applicable, who have no direct or indirect interest in the transaction, but a transaction may not be approved under this section by a single Director or Committee member. If a majority of the Directors or Committee members who have no direct or indirect interest in the transaction vote to approve the transaction, a quorum is present for the purposes of taking action under this Article. A Director or Committee member who has a conflict of interest or has been determined to have a conflict of interest involving any matter before the Board or Committee shall be disqualified from voting on that matter.

5. Recording the Conflict of Interest. Whenever a Director, Committee member, or officer discloses a conflict of interest, is invited to participate in the discussion after disclosure of a conflict of interest, or is disqualified from voting because of a conflict of interest, the Secretary of the Board or Committee shall note this fact in the minutes of the Board or Committee.

6. Notice of Conflict of Interest Policy. Prior to any action on substantive business at any meeting of the Alliance Board of Directors or of its Committees, the President of Board or Chairman of the Committee shall state the policy on conflicts of interest as contained in these Bylaws and this fact shall be noted in the minutes.

7. Conflicts Regarding Employees and Former Employees. Notwithstanding the foregoing Sections of this Article, no Director shall be employed by the Corporation or by any of its affiliated agencies. Former members of the Board of Directors of the Corporation shall not be eligible for employment by the Corporation or any of its affiliated agencies unless a minimum of twelve (12) full months has elapsed since their term on the Board ended, nor shall any employee of the Corporation or Committee serve as Director or Committee member within one (1) year of leaving employment.

[Conflict of Interest Policy 2002]