

# **COMMUNITY FOUNDATION FOR MONTEREY COUNTY**

## **CONFLICTS OF INTEREST POLICY**

Approved June 28, 2005  
Amended October 25, 2016

The Community Foundation for Monterey County consistently follows a policy of avoiding any conflicts of interest, or appearance of conflicts of interest, on the part of its Board, staff and community volunteers serving on Foundation committees in the review of grants and all other aspects of the Foundation's operations.

It is recognized that Board, staff and volunteer committee members are actively involved in other charitable, business, and community affairs throughout Monterey County. Pursuit of these experiences is generally encouraged and often provides perspectives that enhance Board, staff and volunteer committee members' ability to serve the Foundation's goals. However, in some cases, these experiences may create a duality or conflict of interest that needs to be disclosed and addressed.

This Conflicts of Interest Policy sets forth the Foundation's considered judgment regarding the best approach to balancing the following goals: (1) ensuring that the Foundation's decisions benefit from the fullest input of its Board, staff and volunteer committee members, drawing on their accumulated experiences in

Monterey County; (2) avoiding both the reality and the appearance that the objectivity of the Foundation's decisions is compromised by any conflicts of interest by a Board, staff member or volunteer committee member; (3) avoiding both the reality and the appearance that any Board, staff or volunteer committee member benefits from decisions made by the Foundation; and (4) avoiding both the reality and the appearance that any Board member's objectivity when dealing with Foundation personnel issues is compromised by his or her relationship with any staff member.

To accomplish these goals, the Foundation hereby adopts the following policies:

1. Foundation Board member's affiliation with prospective grantees

Foundation Board members who currently serve on the board of an organization that might reasonably be expected to apply for a grant from the Community Foundation shall take care to avoid any actions that will favor the potential applicant in its relationship with the Foundation. Foundation Board members who are otherwise formally affiliated with an organization that might reasonably be expected to apply for a grant from the Community Foundation shall take care to avoid any actions that will favor the potential applicant in its relationship with the Foundation. For purposes of this policy, in addition to service on the board, formal affiliation includes current involvement in fundraising, significant volunteer activities, and service on an ad-hoc committee, on an advisory board, or as a

trustee emeritus. Therefore, unless specifically approved by the Board, Foundation Board members shall: (a) refrain from sharing nonpublic information obtained through the Foundation that would provide an advantage to the potential applicant organization; (b) refrain from active involvement in the organization's planning or preparation of any inquiry or grant request to the Foundation; (c) abstain from voting on any grant request submitted by the organization; and (d) refrain from contacting Foundation staff or speaking at the Foundation's Board meeting on behalf of the organization, although the Board member in question may respond to inquiries from the Foundation's Board or staff and may raise an issue in exceptional circumstances when failure to do so would be detrimental to the Foundation or the community.

Unless requested by the Board Chair to remain, Foundation Board members will leave the room during Board discussions of matters relating to other organizations on whose boards they currently serve.

A Foundation Board member who also serves on another organization's board shall carefully consider his or her obligations to each organization in matters related to fundraising and development.

2. Board member relationships with the board or staff of other organizations

The provisions of paragraph 1 above shall also apply to any instance in which the spouse of or someone with a similar relationship to a Foundation Board

member serves on the board or staff of a potential applicant organization. A Foundation Board member shall also apply the provisions of paragraph 1 when his or her relationship with any other person who is involved with a potential applicant organization could reasonably be perceived as compromising the Board member's objectivity. In making this determination, the Foundation Board member shall consider the nature of his or her relationship with the other person, as well as the nature of that person's involvement with the potential applicant.

3. Potential conflicts arising from business activities

Foundation Board members shall take all reasonable steps to avoid actual or perceived conflicts of interest arising from their business activities. Specifically, the provisions of paragraph 1 shall apply whenever Board members, their spouses, or someone with whom a Board member has a similar relationship has a business relationship with a potential applicant organization that could reasonably be viewed as affecting his/her objectivity in matters relating to that applicant organization. The provisions of paragraph 1 shall also apply whenever a Foundation Board member believes that the business relationships of other relatives or persons with a potential applicant organization could reasonably be perceived as compromising the Board member's objectivity.

Foundation Board members that engage in business activities with or provide more than nominal business services to staff members shall take all reasonable

steps to avoid actual or perceived conflicts of interest arising from their business relationship with the staff member. This includes without limitation (a) refraining from disclosing nonpublic information acquired through the Foundation to that staff member; (b) refraining from active involvement in any decision directly impacting the staff member's terms and conditions of employment; (c) refraining from speaking to the staff, the Board, or any individual Board member on behalf of the staff member; and (d) refraining from advising the staff member on any matter that relates to the terms and conditions of his/her employment.

In general, Board members or their businesses should not engage in any business relationship with the Foundation. Exceptions to this general rule include without limitation when there is no practical alternative supplier of the business to the Foundation, when the price or conditions offered by the Board member are distinctly more favorable than any practical alternative, or when the personal benefit inuring to the Board member from the business relationship with the Foundation is merely incidental.

Board members should also not engage in business relationships that result directly from a grant or other decision of the Foundation. In determining whether a business relationship results directly from a decision of the Foundation, the following factors should be considered: (a) the time that has elapsed since the Foundation's decision; (b) whether the Board member or his or her business will be paid with Foundation funds; and (c) the degree of overlap between the focus

of the Foundation's decision (e.g., awarding a grant or selecting an investment manager) and the content of the Board member's business.

In the course of their non-Foundation business or other activities, Board members shall not intentionally use their association with the Foundation to leverage favorable treatment or advantage from any business, organization, or person.

4. Avoiding conflicts of interest by non-Board Volunteers who serve on Foundation Committees

The provisions of paragraphs 1, 2 and 3 above shall also apply to non-Board Volunteers who serve on Foundation Committees.

5. Avoiding conflicts of interest by staff

Except as specifically approved by the President/CEO after consultation, as appropriate, with the Board Chair, the staff shall avoid actual or perceived conflicts of interest by taking the following steps: (a) no staff member will accept a board or other position with an organization that could reasonably be expected to seek funding from the Foundation, and if such a position is approved, the staff member will play no role with respect to any request from the organization in question; (b) no staff member will play any role with respect to any request from an organization with which a family member is substantively involved; and (c) no

staff member will accept any gifts, meals, tickets, or other items with a value of more than \$50 from an organization that could reasonably be expected to apply for a grant or seek business from the Foundation.

Staff members shall not intentionally use their association with the Foundation to create any favorable treatment or advantage from any business, organization, or person.

6. Implementation of this Conflicts of Interest Policy.

The Foundation recognizes that the foregoing provisions do not cover all possible situations that might arise, and that the exercise of reasonable judgment will be necessary to apply this policy to specific situations.

Board and staff members shall immediately disclose to the Chair and/or President/CEO any specific circumstances (whether or not specifically addressed by the foregoing paragraphs) that could reasonably be considered a conflict of interest within the spirit of this policy. The Chair and/or the President/CEO will seek resolution of the issue, including, if appropriate, by means of engaging the full Board with respect to resolution.

Conflict of Interest disclosure forms are required at the beginning of your board term, or employment, and updated annually.

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
CONFLICTS OF INTEREST POLICY**

**I have read the Policy on Conflicts of Interest and agree to comply with it.**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Print Name**

**I am a:    \_\_\_\_\_ Board Member    \_\_\_\_\_ Staff Member    \_\_\_\_\_ Volunteer**  
**\_\_\_\_\_ Consultant/Contractor**



**COMMUNITY FOUNDATION for MONTEREY COUNTY**

**CONFLICT OF INTEREST FORM**

**Board and Staff Information Sheet for the year 2022**

**Board/staff member's name** \_\_\_\_\_

I have read the attached Conflicts of Interest Policy. In compliance with the policy, I state that I am currently involved with the following local organizations:

	<b>ORGANIZATION</b>	<b>CAPACITY</b> (Trustee, volunteer, counsel, etc.)
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

My spouse is currently involved with the following local organizations.

1.	_____	_____
2.	_____	_____
3.	_____	_____

A foundation grant or loan would constitute a direct monetary benefit to me or an immediate family member if made to the following:

1.	_____	_____
2.	_____	_____
3.	_____	_____

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date