

# ***CONFLICT OF INTEREST POLICY***

**Policy established by corporate action of the Arkansas Community  
Foundation Board of Directors, May 3, 2001.**

## **I. OVERVIEW**

The Arkansas Community Foundation (the "Foundation") strives to maintain the highest ethical standards in all policies, procedures and programs and to avoid any conflicts of interest.

A conflict of interest exists when the personal or professional interests of a Director, Affiliate board member, committee member or employee affect his or her ability to be objective. As Directors, Affiliate board members, committee members and employees are likely to be affiliated with one or more organizations in their communities, both on a professional and a personal basis, it is not unusual for actual or potential conflicts of interest to arise.

It is expected that no Director, Affiliate board member, committee member or employee shall use his or her position in such a manner that a conflict arises between the interests of the Foundation or any of its Affiliates and his or her personal or professional interests. Each Director, Affiliate board member, committee member or employee has the duty to place the interests of the Foundation foremost in any dealings on behalf of the Foundation, and has a continuing responsibility to comply with this policy.

## **II. DEFINITIONS**

### **A. INTERESTED PERSON**

Any Director, Affiliate board member, committee member, or employee, or a member of his or her immediate family, is an interested person.

### **B. CONFLICT OF INTEREST**

There are two types of relationships which may give rise to a conflict of interest:

1. Business Relationships: A conflict of interest arises in a situation in which an interested person has, directly or indirectly, through business, investment or family:
  - A. An ownership or investment interest in any entity with which the Foundation has a transaction, contract, or arrangement, or
  - B. 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.
2. Relationships with Potential Grantees: A conflict of interest arises in a situation in which the Foundation
  - A. Makes a grant to a not-for-profit organization of which an interested party is an officer, director or employee, or
  - B. Makes a grant, including scholarship awards, to an individual or for the benefit of an individual who is related to an interested person.

## **III. PROCEDURES**

### **A. DUTY TO DISCLOSE**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her interest or affiliation and all material

facts. The disclosure should be made as soon as the interested party is aware of the actual or possible conflict of interest and no later than when the interest becomes a matter of board, committee, or staff action.

#### B. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

After disclosure of the potential conflict of interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

#### C. PROCEDURES FOR ADDRESSING THE POTENTIAL INTEREST

An interested person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

### IV. COMPLIANCE STATEMENTS

Each director, officer, Affiliate board member, committee member, or employee shall sign a statement which affirms that such person:

- a. has received a copy of the conflict of interest policy,
- b. has read and understands the policy, and
- c. has agreed to comply with the policy.

