

## Conflict of Interest Policy

Merrick Foundation, Inc. is a publicly supported charitable foundation serving the communities in Merrick County and is dedicated to its mission of expanding private philanthropy in those communities. The foundation operates within the public trust and strives to maintain the highest code of conduct in all of its operations.

The foundation recognizes that it can best accomplish its mission when the board of directors, volunteer committee members, staff and other groups associated with the foundation represent the diverse interests, cultures, occupations, and expertise of the county. Thus, the foundation recognizes that members of the board of directors and others representing or affiliated with the foundation will, from time to time, face possible conflicts of interest or situations in which the appearance of conflict of interest could be detrimental to the foundation and the communities it serves. The foundation adopts this policy in recognition of its responsibility to the public trust and in recognition of the importance of fairness and objectivity in its conduct of business, as a means of assuring that every decision of the foundation is made in the interest of the foundation and the communities it serves and as a means of publicly codifying its expectations of board, staff and volunteers, and others serving the foundation.

This conflict of interest policy applies to all persons holding positions of responsibility and trust on behalf of the foundation, including but not limited to members of the board of directors, members of board committees who are not members of the board, volunteer committee members, members of the boards of supporting organizations to the Foundation, and members of the foundation staff (hereinafter "members"). This policy shall be provided to each member at the time that he or she is asked to serve the foundation.

### General Policies and Expectations

Members of the foundation are expected to commit themselves to ethical and professional conduct. This includes the proper use of authority and appropriate decorum.

Members must represent unconflicted loyalty to the interest of the foundation. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, business interests, personal interests, or paid or volunteer service to other organizations. It also supersedes the personal interest of any staff or volunteer member acting as a consumer or client of the foundation's services.

It is the policy of the foundation that no member shall derive any personal profit or gain, directly or indirectly, by reason of his or her service to the foundation. There may be no self-dealing or any conduct of private business or personal services between any member and the foundation except those conducted in an open and objective manner to ensure equal competitive opportunity and equal access to information.

Board members or volunteer committee members must not use their positions to obtain employment in the foundation for themselves, family members, or close associates. Should a board or volunteer committee member desire employment, he or she must first resign.

Board and volunteer committee members may not attempt to exercise individual authority over the policies and operations of the foundation except through their roles as voting members of the board or volunteer committees. Staff members may not attempt to exercise individual authority over the policies and operations of the foundation except through their specific job responsibilities and established supervisory structure.

Board members and volunteer committee members in their interaction with the press and the public must recognize the inability of any individual member of the board or committee to speak for the foundation except as expressly authorized by the board chair. Staff members in their interactions with the press and the public must recognize the inability of any individual staff member to speak for the foundation except as expressly authorized by the president.

The foundation will comply with both the letter and spirit of all public disclosure requirements, including the open availability of its Form 990 tax returns. However, all members must hold strictly confidential all issues of a private nature, including, but not limited to, issues related to private businesses, contributions from individuals, businesses and other private entities, and all personnel matters.

### **Policies on Conflict of Interest**

In conducting the affairs of the foundation, duality or conflict of interest shall be presumed when a person to whom this policy applies or a member of his/her immediate family serves as a trustee, officer, staff member or holder of more than 10% of corporate stock of an affected organization or firm; has a formal affiliation or interest in an affected organization or firm; or could expect financial gain or loss from a particular decision.

Before a staff, board, or volunteer committee member begins his or her service with the foundation, he or she shall file with the Executive Director, involvement with other charitable and business organizations, vendors or business interests, or with any other associations that might produce a conflict of interest.

In addition to the disclosure required by the previous paragraph, each member is under an obligation to the foundation, to his or her fellow staff or volunteers, and to the community served by the foundation, to inform the foundation of any position he or she holds or of any business or a vocational activity that may result in a possible conflict of interest or bias for or against a particular grantee, action or policy, at the time such grant, action or policy is under consideration by the board or any volunteer committee of the foundation. Any duality or possible conflict of interest on the part of any member shall be disclosed to the Board President and made a matter of record as soon as the issue in question is raised and a possible conflict is known.

When the board, committee, or staff is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall physically absent herself or himself without comment from not only the vote, but also from the deliberation, unless directly requested by the board President or relevant committee to provide factual information or answer factual questions that may assist the board or committee in making a wise decision. In no case shall that member vote on such matter or attempt to exert personal influence in connection therewith.

Disclosure and abstention shall be recorded in the minutes of the meeting at which the issue is discussed and decided. In any situation not specifically covered by the previous sections of this policy, members shall consider carefully any potential conflict of their personal interests with the interests of the foundation and refrain from any action that might be perceived as an actual or apparent conflict of interest.

### **Examples of Appropriate Actions Under This Policy**

**Example 1:** An officer or other paid employee of a bank or other financial institution who is also a board or finance committee member of the Foundation should inform the chair of the board of his or her potential conflict of interest and abstain from discussing or voting on the retaining, employing, or dismissing of his or her financial institution as an investment manager of the foundation.

**Example 2:** A board or committee member who is also a board, staff, or committee member of a proposed grantee should inform the chair of his or her conflict of interest and abstain from voting on or discussing any motion for or against the proposed grant, except as expressly requested by the chair to provide factual information or answer factual questions that would be useful to the board or committee in making its decisions. If several grants are being voted upon concurrently, the Board or committee member must voice his or her conflict of interest to the chair before the vote so that a vote on the grant with which there is a conflict may be taken separately.

**Example 3:** A board or committee member whose personal financial interests could be positively or adversely affected by the Foundation's accepting, holding, or disposing of a particular gift from a donor or by knowledge of the gift should inform the chair of his or her potential conflict of interest; refrain from seeking, obtaining or reviewing non-public information about the gift; and abstain from discussing or voting on acceptance of the gift.

### **Duties of the Board Chair & Executive Director**

The chair of the board shall be responsible for the application and interpretation of these policies as they relate to board members, volunteer committee members, or the president. The Executive Director shall be responsible for the application and interpretation of the above policies as they relate to members of the Foundation's staff.

### **Duties of Members**

Each board member has the affirmative responsibility to report to the board chair (in the case of concerns related to board or committee members or the president) or to the president (in the case of concerns related to members of the staff) any and all knowledge of any action or conduct that appears to be contrary to this Policy.

### **Disclosure**

I have listed below my principal business activities and those of my immediate family and those charitable organizations that employ me or a member of my family or for which one of us serves as a member of the board. In order to avoid a conflict of interest, all foundation staff and board members are asked to declare formal affiliations with other community organizations for which you or an immediate family member currently serve as a trustee, board member, or staff:

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*I have read the policy on conflict of interest and agree to comply with it.*

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Printed Name

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Signature

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Date

Board Approval Date: 11/23/2020  
Board Review Date: 8/25/2025