

## PHILANTHROPY WEST VIRGINIA

### CONFLICT OF INTEREST POLICY

(Approved by the Board of Directors on February 1, 2006)

#### ARTICLE I

##### Purpose

Philanthropy West Virginia strives to maintain the highest ethical standards in all policies, procedures, and programs and to avoid any conflicts of interest.

#### ARTICLE II

##### Definitions

##### 1. Interested Person

Any director, officer, member of a committee with board delegated powers or employee who has a direct or indirect financial interest (as defined in Section 2) or duality of interest (as defined in Section 3), is an interested person. A volunteer is covered under this policy if that person has been granted significant independent decision making authority with respect to financial or other resources of the organization. Persons covered under this policy are hereinafter referred to as 'interested parties.'

##### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family (the family of any individual shall include only his spouse, ancestors, children, grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren):

- a. An ownership or investment interest in any entity with which the Association has a transaction or arrangement, or
- b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

##### 3. Duality of Interest

A duality of interest exists when a director, officer, committee member, or employee of the Association is affiliated with an organization seeking to request a grant from the Association. Such affiliation exists if the person is a director, trustee, officer, or employee of the organization, or has an unofficial role such as significant donor, volunteer, advocate, or advisor. A duality of interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a duality interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

##### 4. Conflicted Person

Any interested person who has a conflict of interest.

#### ARTICLE III

##### Procedures

### 1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her financial or duality of interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction, arrangement, or grant. The disclosure should be made when the interest becomes a matter of board or committee action and on the Conflict of Interest Disclosure Statement attached which shall be updated annually.

### 2. Determining Whether a Conflict of Interest Exists

After disclosure of the interest and all material facts, and after any discussion with the interested person, the interested person may declare that a conflict of interest exists. If the interested person declares that a conflict of interest does not exist, he or she may be asked to leave the board or committee meeting while the determination of whether a conflict of interest exists is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### 3. Procedures for Addressing the Conflict of Interest

Where the actual or potential conflict involves an employee of the Association, other than the President, the President shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the Association. The President shall report to the Board Chair the results of any review and the action taken. The Board Chair, in consultation with the Executive Committee, shall determine if any further board review or action is required. For Board and Committee members, conflict of interest will be reviewed in the Board meeting setting with the following steps:

- a. A conflicted person may make a presentation at the board or committee meeting, but after such presentation, s/he may be asked to leave the meeting during, and shall abstain from, the discussion of, and the vote on, the transaction, arrangement, or grant.
- b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction, arrangement, or grant.
- c. After exercising due diligence, the board or committees shall determine whether the Association can obtain a more advantageous transaction, arrangement, or grant with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction, arrangement, or grant is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the members thereof who are not conflicted persons whether the transaction, arrangement, or grant is in the Association's best interest and for its own benefit and whether the transaction is fair and reasonable to the Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

### 4. Violations of the Policy

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose a financial or duality of interest, it shall inform the member of the basis of such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose a financial or duality of interest, it shall take appropriate disciplinary and corrective action.

## ARTICLE IV Records of Procedures

The minutes of the board and all committees with board-delegated powers shall contain:

1. The names of the persons who disclosed a financial or duality of interest, the nature of the financial or duality of interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction, arrangement or grant, the content of the discussion, including any alternatives to the proposed transaction, arrangement, or grant, and a record of any votes taken in connection therewith, including a record of abstentions.

**ARTICLE V**  
Compensation Committee

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

**ARTICLE VI**  
Annual Statements

Each director, officer, member of a committee with board delegated powers and employees shall annually sign a statement that affirms that such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and,
- d. Understands that the Association is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**PHILANTHROPY WEST VIRGINIA**

Conflict of Interest Disclosure Statement  
Personal Data

Name: \_\_\_\_\_

Current employer or principal business affiliation: \_\_\_\_\_

Position: \_\_\_\_\_

Charitable or Civic Involvement—Please disclose all official positions which you or your family may have as a director, trustee, officer or employee of any charitable, civic or community organization as well as any unofficial roles such as significant donor, volunteer, advocate, or advisor which might give rise to a financial interest or duality of interest.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Please disclose any additional employment or financial interest which you or your family may have as either an officer, director, trustee, partner, employee, or agent of any business organization that might give rise to a financial or duality of interest.

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Reminder: If at any time there is a matter under consideration which may constitute a direct or indirect financial interest or duality of interest, it is your obligation to disclose the facts to the President (if employee) or Board of Directors (if board or committee member), and to abstain from voting and discussion if a conflict of interest exists.

By signing below, I affirm that I have received a copy of the conflict of interest policy, I have read and I understand the policy, and I agree to comply with the policy. I also affirm that I understand that the Association is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_