



THE VERMONT COMMUNITY FOUNDATION

CONFLICT OF INTEREST POLICY

It is essential that the work of the Vermont Community Foundation (the “Foundation”) not be compromised by any conflict of interest or appearance of conflict of interest. Therefore, the following policy is adopted to assist all persons holding positions of responsibility and trust in the Foundation, including Foundation Board members, supporting organization board members, committee members, advisors or employees (herein collectively and individually "VCF Associate") to avoid any actions or relationships that might give rise to a conflict of interest or to the appearance of a conflict of interest. All VCF Associates have the affirmative duty to avoid conflicts of interest and where one arises or becomes known to the VCF Associate, the Associate has the affirmative duty to disclose such conflict. In recognition of the above, the Foundation establishes a procedure to aid in recognizing conflicts so that they may be properly disclosed.

Notwithstanding the foregoing, the Foundation is conscious of the possible conflicts of interest that may arise as the result of a VCF Associate being on the board of or otherwise connected with VCF vendors, donors or grant applicants. To effectively discharge its mission, the Foundation values Board representation drawn from the most capable and committed members of all affected segments of Vermont communities, including persons who may be involved with other non-profit organizations. At the same time, the Foundation recognizes it is inherent in the process of the selection of board members, advisors and staff that they are and will continue to be active in the community and VCF is desirous of fostering community participation. VCF Associates who represent a diverse constituency are desirable and valuable to the Foundation. It is the policy of the Foundation that such potential conflicts of interest be disclosed in the same manner as any other conflict of interest.

Definition

1. Conflict of Interest transaction is one in which a VCF associate or his or her household member or immediate family (spouse, parent, sibling, child) has a material financial or personal interest.
2. Material interest or affiliation consists of professional or institutional involvement as either an incorporator, member, director, trustee, officer, partner, proprietor, employee or owner (with 5% or more ownership share) in an entity which may be subject of direct

Board action, which competes with the Foundation, or which may be the recipient of a grant or other financial transaction with the Foundation.

3. A personal interest exists when, as a result of or in connection with a transaction, a VCF Associate or a member of his/her family or other household member could incur some benefit either for him/herself, a family member or other member of the household or to the entity which provides employment to such family member or other household member, or to any entity in or with which he/she or a family member or other household member has a material interest or affiliation.
4. A transaction is an arrangement, agreement, purchase, sale, contract or other similar event in which the Foundation is involved, including but not limited to: the sale, purchase lease or rental of any property or other asset; employment or rendition of services, personal or otherwise; the award of any grant, contract or subcontract; or the investment of deposit of any funds of the Foundation.
5. Direct participation exists in transactions between the Foundation and a VCF Associate.
6. Indirect participation exists in transactions between the Foundation and entities in or with the VCF Associate has a material interest or affiliation.

Guidelines/Procedures

1. VCF Associates shall not directly or indirectly participate in any transaction involving the Foundation in which they have a material interest or affiliation and/or from which they or a family member or other household member may realize a benefit to their personal interests without full disclosure as provided herein. VCF staff involved in decision making around grant awards shall not knowingly make a grant that supports the salary or other compensation of said VCF Associate and/or their family member(s).
 - a. In the case of the President/CEO and/or a family member having a material interest or affiliation in an organization to which the Foundation may wish to make a grant, the Vice President for Community Grantmaking will confirm and document that the President/CEO was not involved directly or indirectly in the decision to make the grant. Prior to awarding the grant the Chair of the Board will be notified of the Foundation's interest in making the grant and provided with documentation regarding the grant award, the decision making process, and the documented lack of participation in the decision by the President/CEO. The Chair of the Board, in conjunction with the Executive Committee if s/he deems it necessary, shall approve the grant prior to award notification.
2. Any VCF Associate who is aware of a conflict or potential conflict, involving him/herself or another VCF Associate, or the appearance of a conflict of interest, including applications for grants, has a duty to disclose the same to the Chair of the Board, in case of a director, and to the President in all other cases.
3. A conflict of interest transaction may be approved by the Board of the Foundation in the case of a board member and by the President, in the case of an employee or advisor. In such cases, the minutes of the meeting in which a conflict of interest transaction is approved shall reflect that a conflict of interest disclosure was made, that the conflict was discussed and approved, that the VCF Associate abstained from voting and whether the VCF Associate was absent during discussion and voting.

4. In the case of the approval of grants in the Board's consent agenda, it is assumed that any director that annually discloses his or her affiliation with a non-profit, abstains from a vote on a grant for that non-profit and it does not need to be specifically noted in the minutes.
5. All VCF Associates who are expected to recognize that the best interests of the Foundation require that the utmost confidentiality be observed in safeguarding information obtained by being a VCF Associate.
6. Regardless of disclosure, a VCF Associate has an unavoidable duty at all times to act with complete fidelity to the interests of the Foundation. Failure to do so, including failure to disclose, shall warrant termination of employment, removal of a Board or committee member, or such other lesser or greater action that the Board and/or management deems appropriate.
7. To address questions of conflicts of interest, for the protection of both the individual and the Foundation, each VCF associate shall annually provide the Foundation with a list of businesses and nonprofit organizations with which the individual, a household member or member of his or her immediate family is affiliated. This list is to be used for the administration of the Foundation's Conflict of Interest Policy and will not be disclosed to parties other than VCF, its lawyers, accountants, and advisors and except as required by law. During the year, each VCF Associate shall advise the Chair of the Board in case of a Board member and the President in all other cases of any change in circumstances relating to information previously submitted on a Conflict of Interest Statement. In addition, each VCF associate will annually affirm 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.
8. If the matter is a matter of the Board, and if board approval cannot be obtained in a timely fashion, or there are not sufficient directors to vote, before or after it is consummated, approval may be obtained by attaining the approval of the Attorney General or a Declaration by the Superior Court with the Attorney General that the transaction is fair to the VCF.