



Conflict-of-Interest Policy Statement

Article I. Purpose

The purpose of a conflict-of-interest policy is to protect an organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers, trustees, directors or staff might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest in Colorado.

Article II. Definitions

Interested Person

An Interested Person is any trustee, director, principal officer, staff or member of committee with governing board-delegated powers who has a direct or indirect Financial Interest, as defined below.

Financial Interest

A person has a Financial Interest if the individual has, directly or indirectly, any actual or potential ownership, investment, or compensation arrangement with PPCF or with any entity that conducts transactions with PPCF.

A Financial Interest is not necessarily a conflict of interest in all cases. Under Article III, Section 2 of IRS Form 1023, a person with a Financial Interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III. Procedures

Conflict of Interest

A conflict of interest arises when a person in a position of authority over an organization, such as an officer, trustee, director, manager, or key employee can benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or business with which the

person is closely associated. A person's competing or respective duties, for example, serving on two boards, is *not* a conflict if that individual will not financially benefit by his/her service to both organizations.

Duty to disclose

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the trustees/directors and members of the committees with governing board-delegated powers concerning the proposed transaction or arrangement. In an effort to aid such disclosure, each member (board, committee, or staff) shall complete a conflict-of-interest questionnaire no less frequently than annually, or as new circumstances warrant.

Any possible conflicts shall be disclosed before discussion begins. The minutes of the meeting shall reflect this disclosure. After acknowledging the potential conflict, the Interested Person may briefly address the other members regarding this matter. The Interested Person may also answer pertinent questions since personal knowledge on the issue may be of assistance to the other members in reaching their decisions. The Interested Person, however, will abstain from voting on the issue, furthermore the Committee Chair may ask the Interested Person to step out of the room for the vote. For grantmaking decisions, board voting will be done via a consent agenda and conflicts that are disclosed prior to discussion will also be disclosed and duly noted in the meeting minutes, noting the abstention from specific consent agenda items by the Interested Person.

Determining whether a conflict of interest exists

The board shall review each member questionnaire and any other disclosures regarding the Financial Interests of its members. After disclosure of the Financial Interest, the Interested Person shall leave the board meeting while the remaining board members discuss and vote on whether a conflict of interest exists.

Accordingly, conflicts arise when a financial interest can be inured by an officer, trustee, director, manager or key employee as a result of a decision made by that

person(s). Conflicts need only be disclosed if financial inurement is at issue, though open communication amongst trustees about their respective non-financially beneficial commitments is welcomed. If financial benefit exists, however, then our charitable mission requires that the Interested Person recuse him/herself to avoid private benefit, either legally in-fact or as a matter of public relations to legitimize to the community that if a decision was made that may benefit the Interested Person, she/he abstained from the vote.

Procedures for addressing the conflict of interest

After exercising due diligence, the governing board or committee shall determine whether the organization can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not produce a conflict of interest. The Interested Person shall not be present in the room during the determination.

If an alternative transaction or arrangement is not possible, the governing board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the best interests of the organization, for its own benefit, and fair and reasonable. Based on these determinations, the board or committee shall make its decision on whether to enter into the transaction or arrangement.

An absolute recusal should occur when there is a potential for material financial interest to the Interested Person.

Disciplinary action

If the committee has reason to believe an individual has failed to disclose actual or potential conflicts of interest, it will inform the member and allow him/her to explain the alleged failure to disclose. If the committee still has reason to believe a conflict of interest still exists after the alleged conflict is explained, it will take corrective action, up to and including dismissal from the board.

Supporting Organization(s)

Because the Community Foundation may have supporting organizations, it is important that the requirements applicable to the board, committees, staff, and volunteers of the Community Foundation be observed, to the extent possible, by the various supporting organizations. Thus, each supporting organization should be furnished with a copy of this Conflict of Interest Policy by the staff of the Community Foundation and should be requested to have each member of its board, committee thereof, and staff members furnish the information required to the Community Foundation, and otherwise conform to the policy. The Community Foundation hopes to avoid even the appearance of a conflict of interest in making the difficult decisions involved in the allocation of the Community Foundation funds for charitable purposes and in conducting the business of the Community Foundation and its supporting organizations.



Conflict-of-Interest Questionnaire

The following questionnaire must be completed annually by all Members and affiliates of Pikes Peak Community Foundation. Once you have completed this questionnaire, please sign and date in the space provided and return it to Francene LaDue. fladue@ppcf.org

Charitable or Civic Involvement

Please disclose all positions which you (or family member) have as a trustee, director, officer, or key employee of any charitable, civic, or community organization. If none, state "none".

Organization/ Name of Company	Position	Self or Family Member

Investment Interests

Please disclose any disqualifying relationship which you (or family member) have with any banking, investment, and/or business entity which currently or within the past year has or is negotiating a transaction or arrangement with the Community Foundation. If none, state "none".

Organization/ Name of Company	Position	Self or Family Member

Family Relationships [Trustees, Directors, Officers, and Key Employee Disclosure Only]

Please disclose any family relationships you have with any other trustee, director, officer, or key employee of the Foundation. If none, state "none".

Name of Related Person	Relationship

Signature _____ Date _____

Print name _____