

CONFLICT OF INTEREST & BOARD MEMBERSHIP POLICY

July 1999

Conflict of Interest

The Durfee Foundation seeks to avoid all transactions or arrangements that give rise to a conflict of interest, potential conflict of interest, or the appearance of a conflict of interest, with its trustees and staff. The Durfee Foundation recognizes that the appearance of a conflict of interest is problematic even if there is in fact no conflict whatsoever. The Foundation management must be fully informed at all times as to events or circumstances that might create actual or potential conflicts, or the appearance of a conflict.

Trustees and staff of the Durfee Foundation must disclose to the Board any conflict of interest they have with any current or potential grantees of the Foundation, or any entity with which the Foundation does or might do business. Disclosure should be made prior to any votes on funding proposals or business decisions.

Conflict of interest with a current or potential grantee or business entity includes: actual or potential financial interest; actual or potential employment or consulting work; or any sort of direct or indirect compensation arrangement. Those subject to the conflict of interest policy include trustees, staff and members of their families.

A trustee with the conflict of interest (the “interested trustee”) must, after disclosing the conflict, excuse him or herself from any votes regarding the party with whom there is a conflict of interest. The interested trustee may make a presentation to the board about the vote, and answer any questions the board may have, but must afterward refrain from participating in the discussion about the vote. Likewise, an interested staff member may make a presentation to the board about the vote and answer questions, but may not participate in discussion.

The only circumstance under which the Board should allow a conflict of interest arrangement is when a majority of disinterested trustees votes that the arrangement is fair, reasonable, and in the best interest of the Foundation despite its policy of avoiding even the appearance of a conflict of interest.

The minutes of Board meetings shall show all disclosures regarding conflicts of interest and record who participated in voting.

Gifts

Gifts to trustees or staff from grantees, potential grantees or business contacts with a value of \$25.00 or less are considered incidental and do not need to be reported. Any such gifts with a value greater than \$25.00 must be reported to the board and are discouraged as a matter of policy.

Board Membership

Membership on the board of a grantee or potential grantee organization by a trustee is not a conflict of interest. However, board membership should be disclosed before any votes regarding such organizations.