

Policy: Conflict of Interest

Date Approved: 3/15/07

Purpose:

1. to prevent transactions that benefit the private interests of foundation board members, officers, staff and committee members at the expense of the foundation
2. to ensure high standards of integrity and sound decision-making in the governance and management of the foundation
3. to establish and enhance public confidence in the foundation's accountability and a positive public image for the foundation

The Morgan Family Foundation encourages its board of directors, officers, staff and committee members to play active roles in their communities by serving as board members or otherwise being involved with a broad spectrum of charitable organizations. Moreover, the proper governance of the Morgan Family Foundation depends upon the active participation of these same individuals. From time to time, potential conflicts of interest or the appearance of such conflicts will inevitably arise. It is important for the Foundation directors, officers, staff and committee members to be aware that the appearance of conflict can be troublesome even though there is in fact no conflict whatsoever. Therefore, the foundation president and executive director must be fully informed at all times as to events or circumstances which might create the appearance of conflict. It is the foundation's policy to deal with such conflicts in as open and appropriate a way as possible.

The board of directors, officers, staff and committee members of the Morgan Family Foundation are guided by this Conflict of Interest Policy whenever they are carrying out the business of or representing the foundation. In this role, each has a duty of loyalty to the foundation. The duty of loyalty generally requires directors, officers, staff, or committee members to prefer the interests of the foundation over their own individual interests or the interests of others. In addition, directors, officers, staff, and committee members of the foundation shall avoid acts of self-dealing which may adversely affect the tax-exempt status of the foundation or cause there to arise any sanction or penalty by a governmental authority.

Because directors, officers, staff and committee members may be involved in other organizations that may have business dealings or affiliations with or seek grants from the foundation, the following general principles have been established:

- Each director, officer, staff member and committee member shall maintain the highest level of ethical conduct and shall exercise the highest standard of care, diligence and prudence when conducting any activity on behalf of the foundation.
- Each director, officer, staff member and committee member shall sign a statement annually indicating their understanding of this Conflict of Interest Policy and agreement to abide by its terms.
- In the event any director, officer, staff member, committee member, or a member of his/her immediate family has a personal or business interest in, or is involved in any way with, an organization with whom the foundation is considering a grant request or business contract, such interest or involvement shall be disclosed to the foundation. In such event, any director, officer, staff or committee member may answer pertinent questions, but should excuse himself/herself from the room for the discussion and any vote on the matter.
- The minutes of the meeting shall indicate that the interested director/officer/staff/committee member disclosed the interest or involvement in the matter being considered by the board, excused himself/herself from the room and discussion, and abstained from voting on the matter.

Conflict of Interest Statement

As a (check all that apply:)

- board member
- officer
- staff member
- committee member
- independent contractor

of the Morgan Family Foundation, I, (print name: \_\_\_\_\_),  
am committed to the Morgan Family Foundation's high standards of integrity and accountability. I have  
received, read and understand the foundation's Conflict of Interest Policy. I agree to its terms, and my  
actions will be guided by it.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date