

**Interfaith Food Ministry of Nevada County
Conflict of Interest Policy**

Approved October 26, 2013

I. INTRODUCTION

Interfaith Food Ministry of Nevada County acts with honesty and integrity in all aspects of its governance and operations, which enhances the reputation and identity and builds public support and confidence in Interfaith Food Ministry of Nevada County. The purpose of this Conflict of Interest Policy is to protect the interests of the Interfaith Food Ministry of Nevada County when it is entering into a transaction or arrangement that might benefit the private interests of a director, officer or employee or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable federal and state law governing conflicts of interest for non-profit organizations.

II. DEFINITION

Conflict of Interest

A conflict of interest arises when a person in a position of authority within an organization, is in a position, or is perceived to be in a position, to be able to benefit personally or create a benefit to a family member or organization with which they are associated, from a decision made by Interfaith Food Ministry of Nevada County. Conflicts of interest arise primarily from self-dealing and from opposing loyalties between a person's work and personal or business relationships. Interfaith Food Ministry of Nevada County board members and staff are always bound to place the interests of Interfaith Food Ministry of Nevada County ahead of their own private interests.

A conflict of interest may exist when a covered person, by virtue of his or her position or access to information not available to outside parties, can exert influence on decisions that affect his or her own financial interests.

This Conflict of Interest Policy is intended to prevent situations in which there is an *appearance* that a covered person is utilizing, for his or her own benefit, inside information that is proprietary to Interfaith Food Ministry of Nevada County, is acting in her or her own interests rather than in the best interests of Interfaith Food Ministry of Nevada County, has the ability to exercise undue influence over Interfaith Food Ministry of Nevada County's decisions, or is receiving favorable treatment because of his or her affiliation with Interfaith Food Ministry of Nevada County.

Covered Persons

Covered persons include Interfaith Food Ministry of Nevada County board members, employees, advisors, committee members, substantial contributors" (donors of \$10,000 or more in any calendar year), and, as defined below, related Parties, related organizations, individuals who have an ability to influence decisions of the organization and those with access to information not available to the general public.

Related Parties

"Related Parties" include a spouse, brothers and sisters, spouses of brothers and sisters, ancestors, children, grandchildren, great-grandchildren, and spouses of children, grandchildren and great-grandchildren of a covered person. Also included are any other relatives residing within the household of the covered person, and any person with whom a covered person shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the covered person.

Related Organizations

Related organizations include any organization in which a covered person directly or indirectly:

- Owns or controls 35% or more of any voting security; or
- Is a director, executive officer, executor, administrator, trustee, beneficiary, controlling partner, or otherwise serves in a fiduciary capacity or holds a substantial beneficial interest; or
- Has legal or de facto power to control the election of a majority of directors; or
- Has legal or de facto power to exercise a controlling influence over the management of policies.

Organization

Organization includes a corporation, partnership, trust, estate, joint venture, and unincorporated affiliation of any kind as well as public boards and commissions and not-for-profit organizations.

Other Covered Persons

Other covered persons include:

- Individuals, such as former board members, members of Interfaith Food Ministry of Nevada County committees or advisory boards or volunteers or former employees who, by virtue of their continued involvement with Interfaith Food Ministry of Nevada County, either have access to inside information that could place them within a conflict situation or could give the appearance of such persons having the ability to unduly influence Interfaith Food Ministry of Nevada County's decisions. Depending on the facts and circumstances, an independent contractor may be an other covered person" where that person or entity has access to inside information; or
- Individuals who are disqualified persons of Interfaith Food Ministry of Nevada County under Section 4941 of the Internal Revenue Code.

III. CONFLICT PROCEDURES

- All current and future board members and staff will be provided a copy of the then current Conflict of Interest Policy upon adoption or amendment.
- Each director, officer, employee, committee chair, contractor, or other person with a fiduciary relationship with Interfaith Food Ministry of Nevada County shall sign an annual statement which affirms that the person has received a copy of this conflict to interest policy, has read and understood the policy, and has complied with the policy. A copy of the statement is appended to this policy.
- Each covered person shall promptly disclose to the board the existence of any actual, potential, or perceived conflict of interests, including all personal and business relationships and affiliations that could reasonably give rise to a conflict of interest involving Interfaith Food Ministry of Nevada County. Disclosures under this policy shall be made in writing and shall be directed to the President of the Board of Directors.
- A covered person may request that the board determine whether a possible conflict exists. The board shall resolve the question by vote of a majority of the members present and voting, excluding from such number the director who is the subject of the vote.
- Each covered person shall absent himself or herself from board discussions on any issue, matter, or transaction involving the conflict of interest, unless requested by the board to give information on the issue, matter, or transaction. Each covered person shall recuse himself or herself and abstain from voting on any such issue, matter, or transaction.

- When warranted by the nature and magnitude of the conflict of interest, a covered person shall resign from the board and/or other Interfaith Food Ministry of Nevada County positions until such time as the matter giving rise to the conflict of interest has been resolved. When, in the opinion of the board president, the matter has been sufficiently resolved, the director may be invited to rejoin the board, advisory board or committee.
- The minutes of any board meeting in which an actual or potential conflict of interest is discussed shall include full particulars of the perceived conflict, and the resolution by the board.
- The board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

IV. BOARD RESPONSIBILITIES FOR CONFLICTS OF INTEREST

Failure to Disclose.

If the board has reasonable cause to believe that a covered person has failed to disclose actual or possible conflicts of interest, it shall inform the covered person of the basis for this belief and afford the covered person an opportunity to explain the alleged failure to disclose. If the board determines that the covered person has failed to disclose an actual or possible conflict of interest, the board shall take appropriate corrective action.

Standards for Board Review

When a transaction, contract, or project of Interfaith Food Ministry of Nevada County involves an actual, potential, or perceived conflict of interest with a covered person, the board shall:

- Ascertain that all material facts regarding the transaction and the covered person's conflicts of interest have been disclosed to the board.
- When warranted by the nature and magnitude of the conflict of interest, request that the covered person resign from the board and other Interfaith Food Ministry of Nevada County positions.
- Investigate alternatives to the proposed transaction or arrangement and shall compile appropriate data to determine whether the proposed transaction is fair and reasonable to Interfaith Food Ministry of Nevada County.
- Approve the transaction only if the board has made specific findings that:
 - The transaction is fair and benefits Interfaith Food Ministry of Nevada County and its objectives; and
 - The transaction is approved with the board's full knowledge of its financial or other benefit to the covered person,
 - If the covered person is a director, that the covered person did not participate in the vote approving the transaction and was, in fact, absent both during discussions of the transaction and during the board vote; and
 - A more advantageous transaction could not have been obtained with reasonable efforts.

Board Standard of Care

In performing its responsibilities under this Conflicts of Interest Policy, board members shall be not be personally liable for the debts, liabilities or other obligations of Interfaith Food Ministry of Nevada County, so long as the decision was within the board's discretionary power and was made on an informed basis, in good faith without any direct conflict of interest, and in the honest and reasonable belief that it was in Interfaith Food Ministry of Nevada County's best interest.

V. OTHER CONTRACTUAL ARRANGEMENTS

From time to time, Interfaith Food Ministry of Nevada County may find it advantageous to engage members of the Board as paid professional contractors or consultants. Although unlikely, if such a situation arises, the board will be fully informed, evaluate the potential for conflict of interest, and approve of the contract in advance. To avoid the potential for, or appearance of, private inurnment or self-dealing, if a member of the board is to be compensated for his or her service, then the full board shall act, in the absence of the board member to be compensated, shall approve the business arrangement only if the following findings are made and documented in the board minutes:

- The board finds that an arrangement more advantageous to Interfaith Food Ministry of Nevada County cannot be obtained with reasonable effort under the circumstances. This may be done by seeking multiple bids or quotes for the same work from qualified individuals or companies providing similar service, or by thoroughly investigating the hourly or daily rates for similar service available in the local market.
- The board approves a written contract outlining the term, compensation, and required deliverables, following Interfaith Food Ministry of Nevada County's model contract and standard business procedures.
- The board has discussed and approved of the contracting arrangement, and is confident that the Executive Director is willing and able to exercise his or her independent judgment in the oversight of the contract to ensure timely and quality service, in the same manner as he or she would with any outside contractor, without regard for the contracting person's status as a member of the board.
- Engaging a member of the board in a professional capacity will not create a perception in the community that will be detrimental to Interfaith Food Ministry of Nevada County.



**STATEMENT TO BE SIGNED BY BOARD MEMBER, EMPLOYEES, COMMITTEE MEMBERS,
CONTRACTORS, AND OTHERS AS APPROPRIATE**

I, _____, a current _____,
(Name) (Board member, employee, etc.)

of Interfaith Food Ministry of Nevada County,

Have read and understand the Conflict of Interest Policy of Interfaith Food Ministry of Nevada County; and

Agree to make the appropriate disclosures and perform other actions as the policy requires; and

Acknowledge my affiliation(s) with the following organizations, which have, or may have, personal, organizational, or financial interests that may be affected by the actions of Interfaith Food Ministry of Nevada County.

(List as appropriate below)

Name of organization My role or relationship

Name of organization My role or relationship

Name of organization My role or relationship

I agree to review this statement and update it annually.

Signature _____ Date _____