



UNITED WAY OF VENTURA COUNTY

CONFLICT OF INTEREST POLICY

I. Purpose

United Way of Ventura County encourages the active involvement of its directors, officers, employees, volunteers and contractors ("the party(ies)") in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, UWVC adopts the following Conflict of Interest Policy. In the event there is an inconsistency between these requirements and procedures prescribed herein and those in federal or state law, the law shall control.

II. Policy

The parties are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a party and those of UWVC. A conflict of interest exists when the loyalties or actions of a party are divided between the interests of UWVC and the interest of a party. Both the fact and the appearance of a conflict of interest should be avoided.

For purposes of this policy, the following may be deemed to create a conflict of interest:

Gifts, gratuities and Entertainment: Accepting gifts, gratuities or entertainment from a person that:

- a) Does or is seeking to do business with UWVC
- b) Has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from UWVC
- c) Is a charitable organization

III. Definitions

Person - means any individual, agent, trust, trustee, personal representative, receiver, guardian, custodian, conservator, partner, estate, partnership, association, company corporation or legal representative.

Affiliated, affiliation - includes all material direct and indirect financial interests between a party and a person with whom UWVC is considering entering into any transaction. It also includes *any* other interest that may influence the judgment of a party. An objective test is applied to determine whether an affiliation exists between the party and the other person: whether the involvement or relationship of the party with the other person is such that it reduces the likelihood that the party can act in the best interests of UWVC.

Agreement or transaction - is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by UWVC. The making of a gift to UWVC is not an agreement or transaction within the meaning of this policy.

Duty for Disclosure

Each party shall disclose to the President/Chief Executive Officer all material facts regarding the affiliation of such party with any person with whom UWVC is considering entering a transaction. The party shall make that disclosure promptly upon learning of the link between that person and a transaction.

The President/Chief Executive Officer and any other party or person, as determined by the President/Chief Executive Officer with substantial influence over UWVC shall be requested to disclose to the Board all material facts regarding his or her affiliation with any person with whom UWVC is considering entering a transaction. The President/Chief Executive Officer shall make that disclosure promptly upon learning of the link between that other party or person and the transaction. If there is a question as to whether the other party or person has substantial influence over UWVC, the President/Chief Executive Officer shall present this issue to the Board of Directors, and the Board shall resolve the matter.

At any meeting of the Board at which a transaction involving an affiliated person will be considered, a director shall disclose to the members of the Board all material facts regarding the director's affiliation with any person with whom the Board is considering entering into any transaction.

Determining Whether a Conflict of Interest Exists

With regard to an employee without substantial influence over UWVC, the President/Chief Executive Officer shall determine whether a conflict of interest exists.

With regard to the President/Chief Executive Officer, or a person with substantial influence over UWVC, the Board shall determine if a conflict of interest exists.

After an affiliation disclosure by a director at a Board meeting, the director shall leave the meeting while the implications of the affiliation are considered and voted upon. The remaining Board members shall determine if a conflict of interest exists.

Consequences of the Existence of a Conflict of Interest

With regard to an employee without substantial influence over UWVC, the President/Chief Executive Officer shall decide the appropriate response by UWVC once a conflict of interest has been determined to exist. An employee may appeal any adverse determination to the Board.

With regard to the President/Chief Executive Officer or a person with substantial influence over UWVC, the Board shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

In the case of a director, if it is determined that a conflict of interest exists, the director shall leave the meeting while the transaction is discussed and shall not vote on it. The remaining directors shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable. Such director shall not attempt to exert his or her personal influence with respect to the

matter, either at or outside the meeting.

With regard to a contractor or a person with substantial influence over UWVC, the Board shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

V: Findings of the Board

If the Board of Directors determines that a person with substantial influence over UWVC has a conflict of interest with regard to a transaction of UWVC, UWVC shall engage in the transaction only if the following conditions are met prior to the transaction:

- A. Such person shall be requested to disclose to the Board all material facts concerning that person's affiliation with the transaction.
- B. The Board shall review the material facts. The transaction may be approved only if a majority of the directors, not counting the vote of any such excluded director(s), concludes that:
 - (1) The proposed transaction is fair and reasonable to UWVC, and
 - (2) UWVC proposes to engage in this transaction for its own purposes and benefits and not for the benefit of such person, and
 - (3) The proposed transaction is the most beneficial arrangement which UWVC could obtain in the circumstances with reasonable efforts.

The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by such party and person and reviewed by the Chair of the Board.

VI: Annual Statements

Each person who could have influence over UWVC shall be requested to sign an Annual Disclosure Statement which affirms that the person has received a copy of this Conflict of Interest Policy, has read and understood the Policy, and has agreed to comply with the Policy, and discloses any direct or indirect affiliations.

Persons not completing the annual statement of conflict of interest within 30 days of such request will be barred from conducting transactions with UWVC pending a discussion between the President/Chief Executive Officer and such party until there is a resolution.

All Annual Disclosure Statements shall be submitted to the Secretary of UWVC and filed with the minutes of the first meeting of the Board of Directors held each year.

VII: Remedies

Any director who fails to comply with this Conflict of Interest Policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If an officer or employee who is deemed to have substantial influence over UWVC fails to comply with this Conflict of Interest Policy, he or she may be put on notice or terminated, in the discretion of the Board of

Directors. Any other employee who fails to comply with this Conflict of Interest Policy may be put on notice or terminated, in the discretion of the Chief Executive Officer. Contractors who fail to comply with this Conflict of Interest Policy shall be barred from continuing transactions with UWVC pending a discussion between the President/Chief Executive Officer and such party until there is a resolution.

VIII: Periodic Reviews

To ensure that UWVC operates in a manner consistent with its charitable purposes and its status as an organization exempt from federal income tax, the Board shall authorize and oversee a periodic review of the administration of this Conflict of Interest Policy. The review may be written or oral. 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.

IX: Confidentiality

Each responsible party or person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of UWVC. Furthermore, a responsible party or person shall not disclose or use information relating to the business of UWVC for the personal profit or advantage of the responsible party.

ANNUAL AFFIRMATION AND DISCLOSURE STATEMENT

The Conflict of Interest Policy of UWVC requires an annual affirmation that you have received, read, understand, and agree to comply with the Conflict of Interest Policy. In addition, the Policy requires that you annually disclose (1) your affiliations with any organization with which UWVC may have a financial relationship, and (2) persons with whom you have a close relationship (such as a family member or close companion) who are affiliated with any organization with which UWVC may have a financial relationship,

Please sign this Statement indicating your affirmation as described above. Please disclose, in addition, any applicable affiliations known to you.

Please return this Statement to the President/Chief Executive Officer of UWVC by October 3, 2011.

Your name: _____ Date: _____

Business/Organization

Nature of Relationship

Dates of Relationship

Policy adopted by Board of Directors

September 22, 2011