



CONFLICT OF INTEREST POLICY AND AGREEMENT FOR TRUSTEES AND STAFF OF HEADWATERS FOUNDATION

It is important for Foundation Trustees and Staff to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of the Foundation and that the appearance of conflict can be troublesome even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with the Foundation should be expected to have, and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations, a person will sometimes owe identical duties of loyalty to two or more organizations.

Conflicts are undesirable because they potentially or apparently place the interests of others ahead of the Foundation's obligations to its charitable purposes and to the public interest. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties. However, the long range best interests of the Foundation do not require the termination of all association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

Therefore, because the Foundation's Trustees and Staff may be involved with other organizations that may have business dealings or affiliations with or seek grants from the Foundation, the following general principles have been established:

- 1 Each member of the Board of Trustees and the Staff of the Foundation has a duty of loyalty to the Foundation. The duty of loyalty generally requires a Trustee or Staff member to prefer the interests of the Foundation over the Trustee's/Staff's interest or the interests of others. In addition, Trustees and Staff 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.
- 2 In the event any Trustee or a member of his or her family (family member as defined by IRS Code 26 Section 4946*) has a personal or business interest in, or is involved in any way with, an organization with whom the Board is considering a grant request or business contract, such interest or involvement shall be disclosed to the Board. In such event, the interested Trustee shall neither vote nor participate in the discussion of the matter. The interested Trustee shall be excused from the actual discussion and presence at that portion of the meeting when the matter giving rise to the apparent conflict is discussed. However, any Trustee who is excluded from voting or presence pursuant to this policy may answer pertinent questions of other Trustees and be present when the interested Director's knowledge regarding the matter will assist the Board.
- 3 The minutes of the meeting shall indicate that the interested Trustee disclosed the interest or involvement in the matter being considered by the Board, recused herself/himself from the discussion, and abstained from voting on the matter.

I HAVE READ AND UNDERSTAND THE FOREGOING CONFLICT OF INTEREST POLICY AND AGREEMENT, I AGREE TO ITS TERMS, AND MY ACTIONS HAVE BEEN AND WILL CONTINUE TO COMPLY WITH THESE TERMS.

Date: _____

Name

Signature

*As of May 7, 2021, IRS Code 26 Section 4946 defines family as spouse, ancestors, children, grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren.

 **contact**

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