



Policy Title:	Conflict of Interest Policy	Policy Number	Exec 0002.02
Effective Date:	1/4/2007		
Committee Approval Date:	revision approved 10/7/2010		
Board Approval Date:	revision approved 10/20/2010		
Revision:	Include professional affiliations and HCF fund interests to the definition list of conflicts. Add record retention period. Update annual disclosure form template.		

**Article I
Purpose**

The purpose of this statement is to protect The Hudson Community Foundation (HCF) in transaction or arrangements that might benefit the private interest of a member of the Board of Directors, an officer or employee of HCF. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

**Article II
Definitions**

A transaction or arrangement may include, but is not limited to, a purchase or sale transaction, a service agreement, a compensation arrangement, a grant or a contribution.

Compensation includes direct or indirect remuneration as well as gifts or favors that are substantial in nature.

A conflict of interest exists whenever there is a proposed transaction or arrangement of HCF in which a board member, officer or staff member has any actual or potential involvement, interest or relationship, either directly or indirectly including acting as advisor on a charitable fund with HCF.

A board member, officer or staff member shall have an indirect interest in a proposed transaction or activity if:

- the other party to the transaction or activity is related to such board member, officer or staff member;
- such other party is an entity in which the board member, officer or staff member has a material financial interest;
- the board member, officer or staff person is an officer, board member or general partner of such other party; or
- the board member, officer or staff person has a professional affiliation with such other party.

A conflict of interest may also exist when the interests or concerns of any board member, officer or staff member, or such member's immediate family or any party, group or organization to which such person has allegiance, may be seen as competing with the interests or concerns of HCF.



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**Article III
Conflict of Interest by Board Member or Officer**

1. Each board member or officer of HCF has a duty to disclose to the Board of Directors and to any applicable committee of the Board the material fact of any proposed transaction of HCF in which such board member or officer has any actual or potential conflict of interest.
2. The disclosure required must be made prior to any consideration of such proposed transaction by the board or any applicable committee of the board.
3. The board member or officer having the conflict shall not participate in the final deliberation or decision regarding the matter under consideration, and shall if any member of the Board requests, or the person deems it appropriate, retire from the room during the deliberations.
4. Any proposed transaction in which a board member or officer has a conflict of interest must be approved by a majority of the board or of the applicable committee of the board entitled to vote other than the interested board member(s) at a meeting at which a quorum is present, even though the disinterested board members may constitute less than a quorum. Such interested board member(s), if present, may be counted solely for purposes of determining whether a quorum is present.
5. The minutes of the meeting of the board or the committee of the board shall reflect that the conflict of interest is disclosed, that the transaction or arrangement is in the best interests of HCF and for its own benefit and whether it is fair and reasonable and the interested person did not vote or participate in the final discussions, and, if appropriate, was not present during such discussion and vote.
6. Where there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the board or the committee of the board, excluding the person concerning whose situation in doubt has arisen.



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**Article IV
Conflict of Interest by Staff**

1. Each staff member has a duty to disclose to the President the material facts of any proposed transaction of HCF in which such person has any actual or potential conflict of interest.
2. The disclosure required must be made prior to any consideration of such proposed transaction by HCF.
3. A staff member having an actual or proposed conflict of interest shall not participate in the deliberation or decision by HCF regarding the matter under consideration. However, he or she shall provide HCF with any and all relevant information regarding the matter.
4. The President of HCF shall take such additional action as may be required to ensure that the conflict of interest is resolved, and shall maintain a record of the existence and resolution of the conflict.
5. When there is any doubt as to whether a conflict of interest exists, the matter shall be resolved by the President.

**Article V
Annual Statements**

Each member of the board, officer or employee shall annually sign a Conflict of Interest Disclosure Statement (Attachment A), which affirms that such person:

- has received a copy of this conflict of interest policy statement,
- has read and understands the policy statement,
- has agreed to comply with the policy and
- understands that HCF is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax exempt purposes.

All signed disclosures will be retained at the Hudson Community Foundation pursuant to the Corporate Records requirement of the Document Retention Policy.



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**Article VI
Periodic Reviews**

To ensure that HCF operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic review shall, at a minimum, include the following:

- whether arrangements are reasonable and are the result of arm's length bargaining
- whether arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further HCF's charitable purposes and do not result in inurement or impermissible private benefit.



Attachment A

Conflict of Interest Disclosure Statement

Date: _____

To: Drew Forhan
Chairman or President

From: _____
Name of Board Member, Officer, or Staff Member

Re: Conflicts of Interest

This is to certify that:

- I have received a copy of HCF's Conflict of Interest Policy effective 1/4/2007 as revised 10/20/2010.
- I have read and understand the policy;
- I have agreed to comply with the policy; and
- I understand that HCF is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplishes one or more of its tax exempt purposes.

Pursuant to the above-referenced policy, I wish to disclose the following transactions, arrangements or affiliations for determination by the Board of Directors or the President as to whether it constitutes a conflict of interest: (check all that apply)

I will receive direct benefit from an HCF transaction or arrangement.

Please describe:

I am related to another party with whom HCF will engage in a transaction or arrangement.

Please name:

A party to an HCF transaction or arrangement is an entity in which I have a material financial interest.

Please describe:



Attachment A

Conflict of Interest Disclosure Statement

- I am an officer, board member or general partner of a party to an HCF transaction or arrangement.

Please name:

- I have a professional affiliation (i.e. clients, contracts, etc.) with a party to an HCF transaction or arrangement.

Please name:

- I have a charitable fund with HCF in which I serve as fund advisor.

Please list:

I understand that for those matters in which a conflict of interest may exist, the Conflict of Interest Policy and applicable law are controlling. I acknowledge that in the event any new potential conflicts of interest arise or any disclosed conflicts of interest cease to apply that I will update HCF and complete a new Disclosure Statement if necessary.

Signature

Date: _____