

FOUNDATION FOR DEVELOPMENT PLANNING, INC

**Conflict of Interest Policy
and
Annual Statement**

For Directors, Officers, and Members of Board Committees

Article I. Purpose

The purpose of this Board conflict of interest policy is to protect the interests of the Foundation for Development Planning, Inc (FDPI) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of FDPI or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II. Definitions

1. Interested Person

Any Director, Officer, or member of a committee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which FDPI has a transaction or arrangement;
- b. A compensation arrangement with FDPI or with any entity or individual with which FDPI has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FDPI is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest has a conflict of interest only if the Board decides that a conflict of interest exists.

Article III. Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest, and be given the opportunity to disclose all material facts to the Board.

2. Recusal of Self

Any Director or member of committee may recuse him/herself at any time from involvement in any decision or discussion in which the Director/member believes s/he has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or committee members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the FDPI can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the FDPI's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

5. Violations of the Conflicts of Interest Policy

- a. If the Board has reasonable cause to believe an Officer, Director, or member of a committee has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board determines

Article IV. Records of Proceedings

The minutes of the meetings of the Board of Directors and all committees with board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V. Compensation

- a. A member of the Board who receives compensation, directly or indirectly, from the FDPI for services is precluded from voting on matters pertaining to that member's compensation.
- b. A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the FDPI for services is precluded from voting on matters pertaining to that person's compensation.
- c. No member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the FDPI, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI. Annual Statements

1. Each Officer, Director, and member of a committee with board-delegated powers shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy;
 - b. Has read and understands the policy;
 - c. Has agreed to comply with the policy; and
 - d. Understands that the FDPI is a charitable organization, and that in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

2. If at any time during the year, the information in the annual statement changes materially, the Officer/Director/member shall disclose such changes and revise the annual statement accordingly.
3. The Board shall ensure compliance with this policy by reviewing annual statements and taking such actions as are necessary for effective oversight.

Article VII. Periodic Reviews

To ensure that the FDPI operates in a manner consistent with charitable purposes, and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and/or the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the FDPI's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further FDPI's charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article VIII. Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the FDPI may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

**Annual Conflict of Interest Statement
Directors, Officers, and Members of Committees**

1. Name: _____ Date: _____

2. Position (circle correct answer):

- Officer? Yes No If you are an Officer, state position: _____
 - Director? Yes No
 - Member of Committee? Yes No If Yes, Name Committee: _____
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3. I affirm the following:

- I have received a copy of the FDPI's Conflict of Interest Policy. _____ (initial)
- I have read and understand the policy. _____ (initial)
- I agree to comply with the policy. _____ (initial)
- I understand that FDPI is a charitable organization, and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of tax-exempt purposes. _____ (initial)

4. Disclosures:

Do you have a financial interest (current or potential), including a compensation arrangement with FDPI, as defined in the Conflict of Interest Policy? Yes No

i. If yes, please describe it: _____

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest Policy? Yes No

Signature of Officer/Director/Member: _____ Date: _____

Date of Review by Board of Directors: _____