

# CONFLICT OF INTEREST POLICY



The leadership of The Jewish Fund (The Fund) believes in an ethic of avoiding situations in which a Board Member's or employee's business or personal interests may unduly influence or show favoritism in its decision-making process. The Fund depends upon a governing Board whose members freely give of their time for the benefit of the organization, and recognizes that because of the varied interests and involvement of Board members, this service may at certain times result in situations involving real or apparent conflicts of interest. Believing that service should not be rendered impossible solely by reason of these conflicts, The Fund hereby adopts a policy requiring full disclosure of any such interests and noninvolvement in any decision wherein a potential conflict is involved.

The forgoing requirements should not be construed as preventing a Board Member or staff member from briefly stating his/her position on the matter, nor from answering pertinent questions of other Board members since his/her knowledge may be of great assistance.

## Definitions

There are two types of potential conflict of interest situations:

- 1) Where a Board Member, staff member, or immediate family member has a financial interest, or appears to have a financial interest in a decision.

### Self-dealing

A self-dealing situation is any transaction or decision from which a Board Member or employee may profit or receive a monetary benefit. It includes prohibitions falling within the Internal Revenue Code and the Michigan Charitable Trustees Powers Act. It also includes situations where the Board Member or employee owns 35% or more of: 1) the voting stock, or 2) a partnership interest (profits and losses), or 3) a financial or benefit interest in a corporation, partnership, or other organization that is involved in a transaction with The Fund.

- 2) Where a Board Member, staff member, or immediate family member has an affiliation or other conflict of loyalties that may lead to or suggest influence in a decision, but no personal financial interest.

## Conflict of Loyalty

A conflict of interest exists when a person having input into a decision could personally benefit, either directly or indirectly, in the outcome of that decision. A conflict of interest situation is any transaction or decision in which a Board Member or employee finds him or herself in a position of divided or conflicting loyalties. An individual will be in a position of divided or conflicting loyalties in any relationship which may significantly impact or bias the Board Member's or employee's decision-making ability. Relevant factors in determining a conflict of interest situation include the duration, strength, and intimacy of a personal or business relationship or affiliation, and the functions performed by the individual. The question depends on the circumstances and is often one of proximity and degree.

## Disclosure

Board Members and staff members shall annually file a Conflict of Interest Disclosure Statement with The Fund's Executive Director, disclosing therein any anticipated or possible conflict situations. This statement shall include current Board participation and any for-profit ventures used by The Fund in which a Board or staff member retains an interest. Board Members and staff members shall report any changes to this information during the course of the year.

Further, any Board Member or staff member having an anticipated or possible conflict on any matter under consideration by The Fund shall disclose that situation at the relevant Board or Committee meeting, and should not vote or use his/her personal influence on the matter. This does not preclude the Board Member or staff person from participating in Board, Committee, or other discussions regarding the matter. The minutes of the meeting should reflect the potential conflict and the abstention from voting.

The Audit Committee has been appointed by The Jewish Fund Board to review the annual Conflict of Interest Disclosure Statements. The Committee will address any potential conflicts, and will report its findings to the Board.