

United Way of Hall County

Conflict of Interest Policy

Section 1. Purpose. The purpose of the conflict of interest policy is to protect UWHC's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or employee of the corporation or when making decisions regarding Partner Agencies or other funded programs. This policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. This policy is not intended to prevent UWHC from entering into any beneficial business arrangement with an officer, director or employee, but does require full disclosure to and approval by the Board prior to entering into any such agreement.

Section 2. Definitions.

- A. Conflict of Interest. Any director, officer, employee or member of a committee with board-delegated powers person has a conflict of interest if the person directly or indirectly, through business, investment or family, or otherwise has:
1. An ownership or investment interest in any entity with which UWHC has a transaction or arrangement; or
 2. A compensation arrangement with UWHC or with any entity or individual with which UWHC has a transaction or arrangement; or
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which UWHC is negotiating a transaction or arrangement.
 4. Is employed by or serves in a voluntary capacity for a Partner Agency or other funded program.
- B. Compensation. Compensation includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature.

Section 3. Procedures.

- A. Duty to Disclose.

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her conflict of interest and all material facts to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

B. Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she may be asked to leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
2. The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement, unless this has taken place through a bid or similar process.
3. After exercising due diligence, the board or committee shall determine whether UWHC can obtain a similar transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
4. If a similar transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the full board or executive committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in UWHC's best interest and for its own benefit and whether the transaction is fair and reasonable to UWHC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

C. Violations of the Conflicts of Interest Policy.

1. If the board or committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response of the interested person and making such further investigation as may be warranted under the circumstances, the board or committee determines that the interested person has, in fact, failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

D. This section does not intend to preclude the purchase of goods or services by UWHC provided the transaction is an arm's length transaction at regular prices that would be available to others in similar circumstances or is the result of accepting a high bid when such bidding is open to others in

the community.

- E. This section does not intend to limit persons, including officers, directors or employees, from offering special reduced prices or free goods and services to UWHC that might not be made available to other entities or is the result of accepting a low bid when such bidding is open to others in the community offering similar goods or services.

Section 4. Records of Proceedings. The minutes of the board 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's or committee's decision as to whether a conflict of interest in fact existed; and
- 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 therewith.

Section 5. Annual Statements. Each director, officer, employee, and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person has received and read a copy of the Conflict of Interest Policy and understands and agrees to comply with the policy.

Section 6. Periodic Reviews. To ensure that UWHC 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 by the Finance Committee. The periodic reviews shall, at a minimum, including the following subjects:

- A. Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.
- B. Whether partnerships, joint venture arrangements and arrangements with management service organizations providing goods or services to UWHC conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further UWHC's charitable purposes and do not result in impermissible private benefit.

Section 7. Use of Outside Advisors. In conducting the periodic reviews provided for in Section 6, UWHC may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the board of its responsibility for ensuring that periodic

reviews are conducted.

Adopted by the Board of Directors – March 17, 2006