

# CONFLICT OF INTEREST POLICY

OF

## THE NASH GROUP COMMUNITY FOUNDATION, INC.

Adopted: \_\_\_\_\_, 2025

### ARTICLE I – PURPOSE

The purpose of this Conflict of Interest Policy ("Policy") is to protect the interests of The Nash Group Community Foundation, Inc. ("Foundation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, Officer, or key employee of the Foundation, or might result in a possible excess benefit transaction.

This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations. It is also intended to identify procedures that will allow the Foundation to avoid excess benefit transactions and private inurement as those concepts are defined under Section 501(c)(3) of the Internal Revenue Code.

The Foundation is committed to maintaining the highest standards of ethical conduct and public trust. This Policy ensures that all decisions are made solely to advance the Foundation's charitable mission, free from any actual or perceived conflicts of interest.

### ARTICLE II – DEFINITIONS

**2.1 Interested Person.** Any Director, Officer, member of a committee with Board-delegated powers, or key employee who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

**2.2 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 the Foundation has a transaction or arrangement;
- (b) A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation 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 may have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists, as provided in Article III.

**2.3 Family Member.** A Family Member includes a spouse, domestic partner, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece, cousin, or any person sharing the same household.

**2.4 Key Employee.** A Key Employee is any person who is in a position to exercise substantial influence over the affairs of the Foundation, including but not limited to the Chief

Executive Officer, Chief Financial Officer, Chief Operating Officer, and any other employee designated by the Board.

## ARTICLE III – PROCEDURES FOR ADDRESSING CONFLICTS

**3.1 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 Directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement.

**3.2 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, the Interested Person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

### 3.3 Procedures for Addressing the Conflict of Interest.

- (d) **Alternatives:** 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.
- (e) **Comparability Data:** The Board or committee shall obtain and rely upon appropriate comparability data, including compensation surveys and independent appraisals, where applicable.
- (f) **Determination:** After exercising due diligence, the Board or committee shall determine whether the Foundation 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.
- (g) **Approval:** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Foundation'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.

### 3.4 Violations of the Conflict of Interest Policy.

- (h) If the Board or committee has reasonable cause to believe a person 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.
- (i) If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, which may include removal from the Board or termination of employment.

## ARTICLE IV – RECORDS OF PROCEEDINGS

**4.1 Documentation.** The minutes of the Board and all committees with Board-delegated powers shall contain:

- (j) 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.
- (k) 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

**5.1 Voting Member Compensation.** A voting member of the Board who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

**5.2 Committee Member Compensation.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

**5.3 Compensation Information.** No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation. Directors may not vote on their own compensation.

## ARTICLE VI – ANNUAL STATEMENTS

**6.1 Requirement.** Each Director, Officer, member of a committee with Board-delegated powers, and Key Employee shall annually sign a statement which affirms such person:

- (l) Has received a copy of this Conflict of Interest Policy;
- (m) Has read and understands the Policy;
- (n) Has agreed to comply with the Policy;
- (o) Understands that the Foundation 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.

**6.2 Disclosure Form.** Each person required to sign the annual statement shall also complete and sign an Annual Conflict of Interest Disclosure Form (Exhibit A attached hereto) identifying any relationships, positions, or circumstances in which the person is involved that could contribute to a conflict of interest.

## ARTICLE VII – PERIODIC REVIEWS

**7.1 Purpose.** To ensure the Foundation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

**7.2 Scope.** The periodic reviews shall, at a minimum, include the following subjects:

- (p) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining;
- (q) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction;
- (r) Whether all transactions with Interested Persons were conducted at fair market value and properly disclosed.

## **ARTICLE VIII – USE OF OUTSIDE EXPERTS**

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

## **ARTICLE IX – CONFIDENTIALITY**

All information concerning actual or potential conflicts of interest shall be held in confidence except to the extent necessary to administer this Policy or as required by law. Directors, Officers, and Key Employees shall maintain the confidentiality of information disclosed pursuant to this Policy.

## **ARTICLE X – AMENDMENTS**

This Policy may be amended by a majority vote of the Board of Directors at any regular or special meeting, provided that notice of the proposed amendment has been given to all Directors at least seven (7) days prior to the meeting.

## **CERTIFICATION OF ADOPTION**

The undersigned Secretary of The Nash Group Community Foundation, Inc. hereby certifies that the foregoing Conflict of Interest Policy was duly adopted by the Board of Directors on the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

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Secretary

Date: \_\_\_\_\_

## EXHIBIT A

### ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM

The Nash Group Community Foundation, Inc.

Fiscal Year: \_\_\_\_\_

**Name:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Date:** \_\_\_\_\_

#### SECTION 1: ACKNOWLEDGMENT

I hereby acknowledge that I have received, read, and understand the Conflict of Interest Policy of The Nash Group Community Foundation, Inc. I agree to comply fully with its terms and conditions.

- I acknowledge receipt and understanding of the Conflict of Interest Policy
- I agree to comply with the Policy during my tenure with the Foundation

#### SECTION 2: DISCLOSURE OF FINANCIAL INTERESTS

Please disclose any Financial Interests (as defined in the Policy) that you or your Family Members have that could give rise to a conflict of interest:

##### A. Business Relationships:

List any businesses, organizations, or entities in which you or your Family Members have an ownership interest, serve as an officer/director, or are employed, that do business with or compete with the Foundation:

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##### B. Other Nonprofit Affiliations:

List any other nonprofit organizations in which you serve as a board member, officer, or key employee:

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**C. Family Relationships:**

List any Family Members who are employees, contractors, or vendors of the Foundation:

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**D. Other Potential Conflicts:**

Describe any other relationships, positions, or circumstances that could contribute to a conflict of interest:

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**SECTION 3: CERTIFICATION**

I certify that the information provided above is true, accurate, and complete to the best of my knowledge. I understand that I have an ongoing duty to disclose any conflicts of interest that may arise during the year and to supplement this disclosure form as necessary.

I further certify that I understand the Foundation is a tax-exempt charitable organization and that I will act in the best interests of the Foundation at all times.

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Signature

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Date

**FOR OFFICE USE ONLY**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

No conflicts identified

Conflicts identified and addressed (attach documentation)

Notes:

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