

## **Board of Directors**

Board Meeting: December 15, 2009

San Francisco, CA

**ACTION: Resolution 12-15-09/B: Passed Unanimously by Directors Kawasaki, Moss, Wald & Wiltshire**

## **RESOLUTION: Conflict of Interest**

This resolution on conflict of interest adds to the resolution approved by Exloco's Board of Directors approved January 31, 2002 (a copy of this policy following the recommendation for this current policy):

### **Conflict of Interest Policy for Exloco Board of Directors**

The purpose of the following policy and procedures is to complement Exloco's bylaws to prevent the personal interest of staff members, board members, and volunteers from interfering with the performance of their duties to Exloco, or result in personal financial, professional, or political gain on the part of such persons at the expense of Exloco or its members, supporters, and other stakeholders.

*Definitions: Conflict of Interest* (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust.

Persons in a position of trust include staff members, officers, and board members of Exloco.

*Board* means the Board of Directors. *Officer* means an officer of the Board of Directors.

*Volunteer* means a person -- other than a board member -- who does not receive compensation for services and expertise provided to Exloco and retains a significant independent decision-making authority to commit resources of the organization. *Staff Member* means a person who receives all or part of her/his income from the payroll of Exloco.

### **POLICY AND PRACTICES**

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, including but not limited to the following:
  - a. A board member is related to another board member or staff member by blood, marriage or domestic partnership.

- b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
  - c. A board member or their organization stands to benefit from a transaction or staff member of such organization receives payment from for any subcontract, goods, or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
  - d. A board member's organization receives grant funding from Exloco.
  - e. A board member or staff member is a member of the governing body of a contributor to Exloco.
  - f. A volunteer working on behalf of Exloco who meets any of the situations or criteria listed above.
2. Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect 's best interests. Both votes shall be by a majority vote without counting the vote of any interested director, even if the disinterested directors are less than a quorum provided that at least one consenting director is disinterested.
3. A Board member or Committee member who is formally considering employment with Exloco must take a temporary leave of absence until the position is filled. Such a leave will be taken within the Board member's elected term which will not be extended because of the leave. A Board member or Committee member who is formally considering employment with Exloco must submit a written request for a temporary leave of absence to the Secretary of the Board, c/o the office, indicating the time period of the leave. The Secretary of will inform the Chair of the Board of such a request. The Chair will bring the request to the Board for action. The request and any action taken shall be reflected in the official minutes of the Board meeting.
4. An interested Board member, officer, or staff member shall not participate in any discussion or debate of the Board of Directors, or of any committee or subcommittee thereof in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present board or committee member.
5. Anyone in a position to make decisions about spending Exloco's resources (i.e., transactions such as purchases contracts) – who also stands to benefit from that decision – has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any final decisions.

6. A copy of this policy shall be posted on the Exloco website. All Board members, staff members or other key stakeholders upon commencement of such person's relationship with or at the official adoption of stated policy. Each board member, officer, staff member, shall sign and date the policy at the beginning of her/his term of service or employment and each year thereafter. Failure to sign does not nullify the policy.
7. This policy and disclosure form must be filed annually by all specified parties.

### **Conflict of Interest Policy Approved by Exloco Board of Directors, January 31, 2002**

The Board and staff members of Exloco are encouraged to play active roles in their communities by serving as board members or otherwise being involved with a wide spectrum of nonprofit organizations. This means that, from time to time, conflicts of interest will inevitably arise. It is Exloco's policy to deal with such conflicts in as open and appropriate a way as possible.

Conflicting involvements include but are not limited to the following: Exloco Board members serving as board members of applicant organizations, immediate family members of Exloco Board members serving as board members of applicant organizations, Exloco Board members or their immediate family members being employed by or doing business with applicant organizations.

If such conflicts arise, Exloco Board members and/or staff are expected to disclose the conflict prior to making any related grant decisions. Once such a disclosure has been made, the remaining Board members will determine whether or not there is conflict of interest. Should it be so considered, the Board member involved shall abstain from voting and shall not participate in the discussion of the applicant organization other than to answer specific questions that may be raised by other Board members.

In cases where Exloco's Board or Trustees decides to award a grant to an organization and one or more of Exloco's Board members has abstained from voting as the result of a conflict of interest, such grants and Board members shall be identified in the Foundation's annual report.

#### **Approved by:**

**Johanna Wald**  
Exloco Board Secretary

Date: