



## **Conflict of Interest Policy**

### **Purpose:**

As a public supported charitable organization The Committee for Hispanic Children and Families, Inc. (CHCF) has a special obligation to uphold the public trust. All Board Members and Senior staff members of CHCF are expected to carry out their duties in a manner that inspires the confidence of CHCF and the broader community, and shall exercise good faith in all transactions and arrangements relating to their duties to CHCF.

The Board of Directors and Senior staff members of CHCF shall seek to conduct the affairs of CHCF in a manner that avoids even the appearance of conflict between personal interests and the interests of CHCF and that maintains a duty of loyalty and care to the organization. This requires that anyone who has authority to make decisions on behalf of CHCF take steps to inform the Board of Directors of any personal interest he or she might have in a transaction or arrangement between CHCF and a third party.

### **General Statement of Conflict of Interest Policy:**

No Interested person (as defined below) may engage in a transaction or enter into an arrangement with CHCF which is outside of the Interested Person's usual duties and responsibilities at CHCF and where such Interested Person, receives an economic benefit that exceeds the value of the services, property or payment CHCF receives in return, unless and until such Interested Person informs the Executive Committee or Conflicts Committee. The Executive Committee or Conflicts Committee shall (without the participation of the Interested Person) review the transaction to determine whether it presents a conflict of interest, and shall not authorize the transaction unless it determines that the transaction is both reasonable and in the best interests of CHCF.

**1.- Interested Person:** This Policy applies to all interested persons. An interested person is any individual in a position to exercise substantial influence over the affairs of CHCF or who has authority to make decisions on its behalf, and certain persons or entities related to such person including, but not limited to:

- a.- officers, directors and committee members of CHCF;
- b.- key staff members of CHCF responsible for the day-to-day management and operation of CHCF;
- c.- substantial contributors to CHCF;
- d.- family members of any person described in (a) through (c) or person residing with persons described in (a) through (c);

e.- any entity in which any person described in (a) through (d) is also an Interested Person with respect to that entity; and

f.- any entity, 10% or more of which is owned by an Interested Person.

**2.- Transactions:** This Policy applies to all transactions (which, for purposes of this Policy, shall include any arrangement), entered by CHCF.

**3.- Conflict of Interest:** A conflict of interest will be deemed to arise whenever CHCF enters into a transaction with one or more Interested Persons.

**4.- Conflicts Committee:** The Executive Committee or Conflicts Committee will be charged with the responsibility of administering this Conflict of Interest Policy. The Executive Committee or Conflicts Committee will be responsible for monitoring disclosure of potential conflicts and obtaining annual statements from all officers, committee members and key staff members. The Executive Committee or Conflicts Committee will also:

a.- periodically review all approved transactions in which a conflict of interests was deemed to exist;

b.- maintain copies of all records relating to Executive Committee or Conflicts Committee deliberations on potentials conflicts, perceived conflicts and approved transactions in which a conflict of interest is found to exist; and

c.- monitor compliance with the Policy by all interested persons.

**5.- Disclosure:** Any Board member or key staff member who becomes aware of a potential conflict arising out of a proposed transaction, or of any situation where the perception of a conflict of interest may exist, shall promptly notify the Executive Committee or Conflict Committee of the potential conflict or perceived conflict and all facts known to him or her relating to his or her interest in the transaction.

**6.- Standard for Approval:** The Board or the appropriate committee may approve of a transaction in which a conflict of interest exist only if the Executive Committee or Conflicts Committee makes an informed determination that the transaction is fair, reasonable, negotiated at arms-length and in the best interests of CHCF.

**7.- Annual Disclosure Statement:** Each Board member and key staff member must sign annually a statement which affirms that he or she has received a copy of the Conflict of Interest Policy, has read and understands this policy and has agreed to comply with this Policy.

**8.- Policy Violations:** If the Executive Committee or Conflicts Committee has reasonable cause to believe that a Board member or key staff person has failed to disclose an actual or potential conflict of interest (whether based on notification by the Conflicts Committee or otherwise) it shall inform such person of his or her possible violation of the Policy and afford him or her an opportunity to explain the alleged failure to provide the required disclosure. If, after hearing the



response and making such further investigation as may be warranted in the circumstances, the Executive Committee or Conflicts Committee determines that the Interested Person has in fact failed to disclose an actual or potential conflict of interest, it will take appropriate action which may include recommendation for removal from the Board and any committee, termination of employment, and if the violation relates to an approved transaction, reconsideration of whether the transaction met the necessary standard for approval at the time it was approved. If it is determined that the transaction did not meet the standard for approval at the time it was approved, the transaction may be voided and each Interested Person benefiting from the transaction may be required to restore CHCF to the financial position it would have been in if the transaction had been in compliance. Any Interested Person who knowing violates the Policy may also be liable for taxes imposed under the federal intermediate sanctions regulations.

**9.- Special Rule as to Investment Committee:** The Investment Committee is responsible for selecting managers for CHCF's endowment. It is CHCF policy for the Investment Committee that no member of that committee shall participate in the management of CHCF funds. It is CHCF's practice to select investment management firms and brokerage firms based solely on merit, without regard as to whether or not such investment managers and brokerage firms have principals or employees who are Board members or donors to CHCF.

**A.**

As a Board member, I read and understand the Conflict of Interest Policy of The Committee for Hispanic Children and Families, Inc. I further agree to voluntarily report and disclose any potential transactions or arrangements to the Board Chairperson where the perception of conflict if interest may exist.

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Signature of Board Member

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Date

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Printed Name

**B.**

As a key staff, I read and understand the Conflict of Interest Policy of The Committee for Hispanic Children and Families, Inc. I further agree to voluntarily report and disclose any potential transactions or arrangements to the Executive Director where the perception of conflict if interest may exist.

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Signature of Key Employee

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Date