

WILLIAM CASPAR GRAUSTEIN MEMORIAL FUND
CONFLICT OF INTEREST POLICY

Value Statement

The William Caspar Graustein Memorial Fund believes that effective governance and operation depend on decision making by trustees and staff which is unbiased and appears to be unbiased. The Memorial Fund values the active roles that its trustees and staff play by serving on boards and committees in their communities and recognizes that trustees and staff have financial interests unrelated to the Memorial Fund. However, conflicts of interest or the appearance of conflicts may occasionally arise. Whether or not self-dealing results from a conflict of interest, the existence of the conflict must be disclosed to protect the Memorial Fund and the individual concerned. In order to avoid impermissible conflict between the personal interests of trustees or staff and the interests of the Memorial Fund, the trustees of the Memorial Fund have adopted the following policies regarding conflicts of interest. Additionally, trustees and staff of the Memorial Fund and their immediate families are or may be "disqualified persons" as defined in provisions of the Internal Revenue Code applicable to private foundations, and they may subject the Memorial Fund or themselves to penalties for prohibited acts of self-dealing under the Internal Revenue Code. Trustees and staff who are unsure whether any contemplated action may be forbidden to them as "disqualified persons" under the Internal Revenue Code should consult the Memorial Fund's executive director or legal counsel.

Conflict of Interest

A conflict of interest may exist when a trustee, employee or member of his or her immediate family has a financial interest in a decision by or on behalf of the Memorial Fund or when affiliations or other conflicts of loyalties of a trustee or employee, without having any financial interest, may lead to, or suggest influence in, a decision by or on behalf of the Memorial Fund.

Policy

It is the policy of the Memorial Fund that no trustee or employee shall derive any personal profit or gain, directly or indirectly, by reason of his or her trusteeship or employment by the Memorial Fund, except as authorized by the trustees.

Each trustee and covered employee shall disclose to the trustees any personal interest or possible conflict of interest which he or she may have in any matter pending before trustees or any action taken or to be taken by or on behalf of the Memorial Fund.

Each individual covered by this policy agrees that such individual will not participate in any decision by or on behalf of the Memorial Fund that materially benefits such individual, a member of such individual's immediate family, or any organization with which such individual has a formal relationship, except as authorized by the trustees.

Receipt of Benefits from Third Parties

It is in the interest of the Memorial Fund to encourage staff to be well informed about activities of communities or organizations that it funds. However, the Memorial Fund must avoid the perception of favoritism or obligations to particular individuals or organizations. Thus, if a Memorial Fund staff person or Trustee, in performing his or her duties, attends an event sponsored by an organization with which it currently or in the future anticipates doing business, the Memorial Fund will pay for the ticket. When the Memorial Fund makes a grant to a nonprofit for a table at an event, the Fund will still pay for individual tickets for any staff or Trustee who attends the event in the course of his or her duties. Memorial Fund staff or Trustees must not directly or indirectly solicit or accept any gift of monetary value (including but not limited to merchandise, tickets, professional or personal services) from persons or organizations doing business or seeking to do business with the Memorial Fund (including but not limited to grant recipients, potential grantees, former grantees, vendors, and independent contractors) business related parties. Staff and Trustees may accept unsolicited gifts or tokens of nominal value (less than \$50 per year, per source) from business related parties where refusal would be impractical or imprudent. If a Memorial Fund staff person or Trustee, either individually or as a group, receives

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an unsolicited gift exceeding \$50 per year, per source from a business related party, the person or organization offering the gift will be thanked and informed of the Memorial Fund's policy, and the gift will be returned. Unsolicited gifts that cannot be returned will be donated to a nonprofit organization or disposed of in a manner that does not directly benefit the individual staff or Trustee who received the gift.

Disclosure Statement

A conflict of interest disclosure statement in the form annexed hereto shall be furnished annually by each trustee and covered employee disclosing any anticipated or possible conflict situations. Covered employees shall be senior employees, other employees who have a decision making role in hiring, contracting or grant making, and any other employee whom the executive director determines should be a covered employee. Each new trustee or employee shall be advised of the policy and furnished a disclosure statement upon undertaking the duties of such position.

Implementation and voting

When any conflict of interest is involved in a matter requiring action by the trustees, the interested person shall call it to the attention of the trustees, and the trustee concerned shall not vote on the matter.

Moreover, the person having a conflict shall retire from the meeting of the trustees and may not participate in the final deliberation or decision regarding the matter under consideration. However, that person may provide the trustees with any and all relevant information before retiring.

The minutes of the meeting of the trustees shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote. When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the trustees, excluding the person whose situation will be discussed.

When any conflict of interest may be involved in a matter involving an employee, such employee shall notify the executive director of the Memorial Fund, which shall constitute notice to the trustees, and if the conflicted person is the executive director, he/she shall notify the lead trustee. The executive director shall notify the lead trustee of any conflict of interest regarding an employee known to the executive director.

To help ensure compliance with this Conflict of Interest Policy, the Memorial Fund's Personnel Policy Manual contains a procedure for staff to report suspected illegal activity to its outside auditor. In a related manner, any Trustee suspecting illegal activity has the responsibility to bring the activity to the attention of the other Trustees and/or to the Fund's outside auditor.

In addition, the Memorial Fund strictly prohibits its Trustees or staff from altering, hiding, destroying, or falsifying any documents to prevent their use in litigation or official proceedings.

Waiver

Notwithstanding the foregoing, the trustees may waive any disclosed conflict if they determine that such waiver is permitted under law and the trust instrument governing the Memorial Fund, is not a prohibited act of self dealing under applicable provisions of the Internal Revenue Code dealing with private foundations, and is in the best interests of the Memorial Fund.

Definition

Members of the immediate family shall mean partner, descendants, parents and siblings. Such term may have broader scope for purpose of the self dealing rules under the Internal Revenue Code, and if a question arises in this regard, the executive director or legal counsel should be consulted.

Trustees Actions and Notices

Any action to be taken by or notice to be given to the trustees hereunder may be taken by or given to such trustee or trustees as shall be designated by the trustees. The Conflict of Interest Policy shall be reviewed annually by the trustees for the information and guidance of the trustees.

**WILLIAM CASPAR GRAUSTEIN MEMORIAL FUND
Conflict-of-Interest Disclosure Statement**

TO: Executive Director, William Caspar Graustein Memorial Fund

I have reviewed the William Caspar Graustein Memorial Fund Conflict-of-Interest Policy statement and advise as follows:

- During my term of service as a trustee or employee, I agree to disclose to the trustees any personal interest I may have in any matter pending before the trustees or in any action taken or to be taken by or on behalf of the William Caspar Graustein Memorial Fund.
- Following is a list of organizations in which I have an interest which will or may be expected to engage in transactions with the William Caspar Graustein Memorial Fund and a list of nonprofit organizations of which I am a trustee, director, or employee.

If none write 'none'.

<u>Organization</u>	<u>Role</u>
_____	_____
_____	_____
_____	_____

Date _____ Signature _____

No changes: Date _____ Signature _____

Date _____ Signature _____