

## **CONFLICT OF INTEREST, SCHOLARSHIP ELIGIBILITY AND CONFIDENTIALITY POLICY**

### **SECTION I: CONFLICT OF INTEREST POLICY FOR BOARD OF DIRECTORS, BOARD OF ADVISORS, COMMITTEE MEMBERS, VOLUNTEERS AND STAFF**

The Hendricks County Community Foundation is a charitable organization whose board members and Foundation staff are chosen to serve the public purposes to which it is dedicated. These persons have a duty to conduct the affairs of the Foundation in a manner consistent with such purposes and not to advance their personal interests. This conflict-of-interest policy is intended to permit the Foundation and its Board members and Foundation staff to identify, evaluate, and address any real, potential, or apparent conflicts of interest that might, in fact or in appearance, call into question their duty of undivided loyalty to the Foundation.

A conflict of interest is considered any activity or interest that may cause bias for or against a particular vendor, grant, or scholarship being considered by the Foundation. This could include any position held presently or in the recent past, investment in any business, or any other activity that may result in a biased opinion. This policy applies to the Board of Directors, Board of Advisors, Committee members, volunteers and staff. Hereinafter, the Board of Directors, Board of Advisors, Committee members, volunteers and staff will be referred to as "Member."

This policy applies to transactions between the Foundation and above named Members, or between the Foundation and another party with which a Member has a significant relationship. A Member is considered to have a significant relationship with another party if:

- the other party is a family member, including spouse, brothers and sisters by whole or half blood, ancestors, children, step-children, grandchildren, and great-grandchildren,
- the other party is an entity in which the Member has a material financial interest. This includes entities in which the Member and all individuals or entities having significant relationships with the Member own, in the aggregate, more than 10 percent; or
- the Member is an officer, director, trustee, partner, or employee of the other party.

A Transaction also includes any other transaction in which there may be an actual or perceived conflict of interest, including any transaction in which the interests of a Member may be seen as competing or at odds with the interests of the Foundation.

#### **Disclosure, Refrain from Influence, and Recusal**

When a Member becomes aware of a proposed transaction, he or she has a duty to take the following actions:

- Immediately disclose the existence and circumstances of such transaction to the Foundation's Board **in writing to the President of the Board of Directors**
- Refrain from using his or her personal influence to encourage the Foundation to enter into the proposed transaction
- Physically excuse himself or herself from any discussions regarding the proposed transaction, including board discussions and decisions on the subject

In order to assist the Foundation in identifying potential transactions, each member annually shall complete Section II of this form: Conflict-of-Interest Disclosure Statement provided by the Foundation, and shall update such Questionnaire as necessary to reflect changes during the course of the year. Completed Questionnaires shall be available for inspection by any board member, and may be reviewed by the Foundation's legal counsel.

#### Standard for Approval of Covered Transactions

The Foundation may enter into a transaction where a) such transaction does not constitute an act of self-dealing, and b) the board determines, acting without the participation or influence of the Member and based on comparable market data, that such transaction is fair and reasonable to the Foundation. The board shall document the basis for this determination in the minutes of the meeting at which the transaction is considered, and shall consult with the Foundation's legal advisor as necessary to ensure that the transaction does not constitute an act of self dealing.

#### Administration of Policy

This policy shall be administered by the board, which shall be responsible for the following:

- Reviewing reports regarding the Conflict-of-Interest Questionnaires
- Receiving disclosures of proposed transactions
- Reviewing proposed transactions to determine whether they meet the above-described standard
- Maintaining minutes and such other documentation as may be necessary and appropriate to document its review of transactions
- Reviewing the operation of this policy and making changes from time to time as it may deem appropriate



**SECTION II:**  
**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

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

Circle one:      BOARD OF DIRECTOR              BOARD OF ADVISOR  
  
                         STAFF              COMMITTEE MEMBER              VOLUNTEER

Hendricks County Community Foundation (“HCCF”) requires each Member annually 1) to review the HCCF’s Conflict-of-Interest Policy (the “Policy”); 2) to disclose any possible personal, familial, or business relationship that reasonably could give rise to a conflict of interest or the appearance of a conflict of interest; and 3) to acknowledge by his or her signature that he or she is acting in accordance with the letter and spirit of such Policy.

The information provided on this form shall be available for inspection by members of the Board and HCCF’s legal counsel, but shall otherwise be held in confidence except when, after consultation with the applicable Member, the Board determines that HCCF’s best interest would be served by disclosure.

Please respond to the following questions to the best of your knowledge.

1. Please list all official positions which you, or another party with which you have a significant relationship (as outlined on page 1), may have as a director, trustee, or officer of any charitable, civic or community organization as well as any unofficial roles such as significant donor, volunteer, advocate or advisor.

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2. Please list all corporations, partnerships, or other entities in which you, or another party with which you have a significant relationship (as outlined on page 1), have a material financial interest as defined in the Policy.

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3. Please list all business dealings that you, or another party with which you have a significant relationship (as outlined on page 1), and/or entities listed in questions 1-2 above have had with HCCF in the past year.

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4. Please list any proposed business dealings between HCCF and you, or another party with which you have a significant relationship (as outlined on page 1), and/or entities listed in questions 1-2 above. Describe each such relationship listed and the actual and potential financial benefits as you can best estimate them.

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5. Are you aware of any other relationships, arrangements, transactions, or matters that could create a conflict of interest or the appearance of conflict? If so, please describe.

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**SECTION III:**  
**SCHOLARSHIP ELIGIBILITY**

Disqualified persons are not eligible to receive the Lilly Endowment Community Scholarship or any other scholarships administered by the Community Foundation, except those scholarships designated for a particular title or position, such as Valedictorian.

**The Community Foundation defines a “disqualified person” as follows: An individual or family members (including spouse, brothers and sisters by whole or half blood, ancestors, children, step-children, grandchildren and great grandchildren) of individuals who are in a position to exercise substantial influence over the scholarship selection process, including the HCCF Board Chair, the Executive Director and any other staff members who work directly with the scholarship selection process, and members of the Lilly Endowment Community Scholarship Committee or the scholarship advisory committee for which the “disqualified person” is applying.**

The Community Foundation’s Board Chair, Executive Director and any other staff members who work directly with the scholarship selection process, and their family members, shall not be eligible for any scholarships administered or awarded by the Community Foundation, except those scholarships designated for a particular title or position, such as Valedictorian. Other individuals who serve as members of the Hendricks County Community Foundation Board of Directors, Board of Advisors, or Staff, and their family members, who are not in a position to exercise substantial influence over the scholarship selection process, shall not be considered disqualified persons. Conflict of Interest forms must be completed by all Foundation employees and Board Members, and any person with a potential conflict of interest must disclose such conflict and recuse him/herself from all pertinent discussion and votes. Failure to disclose a potential conflict of interest will result in scholarship forfeiture.

**SECTION IV:**  
**CONFIDENTIALITY POLICY**

**DONORS/GIFTS:**

A key ingredient of successful endowment building for the Hendricks County Community Foundation is the free flow of information between the Foundation and the individual donor. It is necessary that the prospective donor feel comfortable in discussing his or her charitable or philanthropic needs with staff, individual Board members, or other representatives of the Foundation. Many times disclosure of financial, tax or other personal matters may be made during the planning process of giving a gift. It is recognized that the donor may wish to remain anonymous or at least not have his or her gift acknowledged publicly.

The Community Foundation will adhere to the donor's wishes regarding publicity or anonymity of a gift. The Confidentiality Policy will be upheld by all Members of the Hendricks County Community Foundation.

1. Each donor should be advised that acknowledgment of donor's name and the purpose of the donor's gift or fund will appear in official Foundation publications unless the donor specifies otherwise.
2. Members will not reveal any information relating to a prospective donor's dealing with the Foundation without the donor's consent.
3. Information of a financial, tax or personal nature relating to a donor or prospective donor shall remain confidential within the Community Foundation. No disclosures to third parties of such information, including addresses and demographic information shall be made without the donor's consent.
4. The Community Foundation shall not release to third parties or allow third parties to copy, inspect or otherwise use information compiled by the Community Foundation as to the identification of a donor's gift.
5. The complete digital database, sensitive digital files, and the Community Foundation computers are password protected. All sensitive hard-copy documents are stored in locked file cabinets. Both digital and hard-copy files remain confidential and will not be shared or sold to any other entity.

**GRANTS AND SCHOLARSHIPS:**

6. All communications with the Community Foundation from grant seekers or scholarship applicants regarding funding requests shall be made through the office of the Foundation. No such contact shall be made with individual Members, outside of the site review process or scholarship interviews.

- I hereby agree to: (1) not engage in private discussion of Grant or Scholarship Cycle matters, except when engaged in the business of the Foundation; (2) not to discuss or share with others the contents of the Grant or Scholarship Cycle, including documents or Grant or Scholarship Cycle analysis of documents, outside of official Grant or Scholarship Cycle meetings and processes; and (3) not to discuss or share with others the positions or statements of Members outside of official Grant or Scholarship Cycle meetings and processes.

**SECTION V:**  
**SIGNATURE OF COMPLIANCE**  
**WITH CONFLICT OF INTEREST,**  
**SCHOLARSHIP ELIGIBILITY**  
**AND CONFIDENTIALITY POLICY**

I have received and read the Hendricks County Community Foundation Conflict of Interest. Scholarship Eligibility and Confidentiality Policy. I am currently in compliance and agree to remain in compliance with the Policy.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date