**EPISCOPAL FOUNDATION OF DALLAS**

Conflict of Interest Policy

Purpose

A charitable organization should adopt and implement policies and procedures to ensure that all conflicts of interest, actual or perceived, within the organization and the board are either avoided or appropriately managed through disclosure, recusal, or other means. A conflict of interest can arise whenever a trustee, committee member, or staff person’s duty of loyalty to the charitable organization comes into conflict with a competing financial or personal interest that he or she (or a relative) may have in a proposed transaction.

In some cases, conflict-of-interest transactions violate the law; in other situations, they work to a foundation’s advantage. Regardless of intention or result, however, foundations, their boards and their managers must act very carefully when dealing with transactions that are, or may appear to be, inconsistent with a foundation’s interest for the following reasons.

First, conflict-of-interest transactions can create substantial legal liability, especially if they violate the self-dealing prohibitions for private foundations under the federal tax laws. In those situations, board members and foundation managers can be personally liable because they engaged in the transaction, approved them, or both.

Second, conflicts of interest carry very real risks of negative public perception. As charitable institutions provided with special tax status, foundations are expected to serve the public trust. When they engage in improper transactions – or those that give the appearance of impropriety – the damage can extend well beyond their good name and reputation.

Lastly, conflicts can compromise the decision-making process, preventing board members and foundation managers from having open and candid discussions and, in some cases, from acting in the best interests of the foundation.

Conflicts of interest should either be avoided or managed in such a way that the foundation and its board and managers are protected from liability or unwelcome publicity. A written conflict of interest policy that is enforced provides safeguards to prevent transactions that may violate the law or a fiduciary’s duties of care and loyalty to the organization. A written policy can also help identify transactions that give the appearance of a conflict of interest before they occur. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest applicable to nonprofit and charitable corporations.

## Applicability

The policy set forth in this statement applies to all trustees, committee members, and employees (“interested persons”) of the Episcopal Foundation of Dallas (the “Foundation”) and applies to transactions between the Foundation and any interested person or a family member of the interested person, including spouse, parent, sibling, child, stepchild, grandparent or grandchild. It is difficult to define all potential conflict of interest transactions, but at least the following should be disclosed:

1. If you or any member of your family has an official relationship\* with any bank, vendor, investment manager, broker or other entity with which the Foundation regularly does business.
2. If you or any member of your family has an official relationship\* with any organization that has applied for or received a grant from the Foundation.
3. If you or any member of your family has applied for or received a grant from the Foundation.
4. If you or any member of your family has received, or is entitled to receive, any personal benefits from the Foundation or as result of your relationship with the Foundation (other than compensation directly related to your duties to the Foundation.)
5. If you or any member of your family has accepted a gift or favor from businesses and charities that have dealings with the Foundation.

\*An “official relationship” is defined as an officer, director, employee, partner, proprietor, or owner of 10% or more of the stock.

## Policies and Procedures

Acceptance of Gifts prohibited

Trustees, committee members, and employees shall not accept gifts, entertainment, or other favors from businesses or charities that have dealings with the Foundations. This does not include incidental gifts, such as reasonable meals in connection with business meetings or low-cost promotional gifts.

Duty to disclose

Trustees, committee members, and employees of the Foundations shall disclose any transactions or relationships involving a possible conflict of interest in regard to the Foundations.

Duty to recuse

When any matter involving a conflict of interest is under consideration by the Foundations, the interested person should abstain from any preliminary or final involvement with the matter, including initial review and discussion, as well as any vote at the committee or full board level.

## Records of proceedings

## The minutes of the board and all committees with board-delegated powers shall contain the names of persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, and any action taken. Whenever a trustee or committee member abstains from participation in a committee or board vote due to a potential conflict of interest, the abstention should be formally recorded in the meeting minutes.

Periodic review

To ensure that the Foundations operates in a manner consistent with their charitable purposes and that they do not engage in activities that could jeopardize its status as an organization exempt from federal income tax, an annual review for any conflicts of interest shall be conducted by the Executive Director and reported to the Chairman of the Board of Trustees and the Audit Committee.

Confidentiality

All information concerning actual or potential conflicts of interest on the part of the trustees, committee members or officers of the Foundation shall be held in confidence unless the best interests of the Foundations dictate otherwise.

Administration of Policy

The Audit Committee of the Board of Directors shall have responsibility for overseeing the enforcement of this policy and shall report to the Board of Directors.

**Episcopal Foundation of Dallas**

Conflicts of Interest Annual Disclosure Statement

I, the undersigned, being a Trustee, Committee Member or Employee of the Episcopal Foundation of Dallas (the “Foundation”), hereby state that:

1. I have read the Conflict of Interest Policy and agree to observe and adhere to the policies and procedures outlined therein.
2. I do not have, nor does any member of my family have an official relationship as defined in the Conflicts of Interest Policy with any **corporation, partnership, association, or organization (including my church) that transacts business with or which has applied for or received a grant from the Foundation, except as noted below.**
3. I, as an individual, have not transacted business with or applied for or received a grant from the Foundation, nor has any member of my family, except as noted below.

**List below any exceptions to the above statements (effective currently or any time during the past calendar year). Please attach additional sheets if needed.**

I agree that if any situations arise, of which I am aware, that in any way contradict the above statement, I will immediately notify a member of the Executive Committee of the Board of Trustees of any conflict, real or potential, and make full disclosure thereof.

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Signature/Print Name

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Date

**Instructions for Submitting**

**You may submit your completed form at the March board meeting.** Alternatively, you may mail your completed Conflicts of Interest Annual Disclosure Statement to the Foundation office at 5923 Royal Lane, Dallas, TX 75230. You may also scan and email to [exec@episcopalfoundationdallas.org](mailto:exec@episcopalfoundationdallas.org).