



**Community Foundation of Greater Fort Wayne Inc.**  
**Conflict of Interest Policy**  
**Board Approved: May 30, 2006**  
**THE CODE OF CONDUCT, TRUST, AND ETHICAL PRINCIPLES**  
**UNDER WHICH THE COMMUNITY FOUNDATION FUNCTIONS**

The Community Foundation serves as a reliable professional steward of assets entrusted to its care. The integrity and quality of the Community Foundation's relationship with its constituency determines the strength of the organization. The Community Foundation accepts its responsibility to perform to the highest standards in every activity:

- Fair and equitable treatment of its donors, grantees, and applicants
- Prudent fiscal management of funds with complete financial reporting
- Maximum disclosure to the community of pertinent information about grants, policies, and procedures
- Continuous assessment of the cultural diversity of the community and funding decisions based on moral, ethical, and social attitudes

The effectiveness of the Community Foundation is demonstrated by the quality of its governance, its adherence to the highest standards of service, and to the spirit of these ethical principles. Each person working on Community Foundation affairs is committed to being mindful of their personal conduct when dealing with these important affairs.

This policy is intended to supplement, but not replace, any applicable state laws governing conflict of interest applicable to nonprofit and charitable foundations.

**DEFINITION**

This Conflict of Interest Policy is intended to reflect the attitude and atmosphere and personal and business relationships in which the affairs of this Community Foundation shall be conducted.

As a matter of policy, a "**conflict of interest**" arises when:

A person or family member of person, who serves on the board, committee, intern, staff, or volunteer of the Community Foundation and who also:

- holds a position as a director, trustee, or officer of any charitable, civic, or community organization;
- has a disqualifying relationship with any entity which currently or within the past year has or is negotiating a transaction or arrangement with the Community Foundation;
- is employed by, performs consulting work for, purchases services from, or has an affiliation with organizations that may create an interest or bias with respect to the Community Foundation's action and
- maintains a role such as significant donor, volunteer, advocate, or advisor with any charitable or community organization which might result in a potential conflict of interest with the Community Foundation.

Such person's action in any of the above capacities conflicts with one's self interest and/or compromises (or is perceived to compromise) one's objectivity in performing obligations or loyalty to either organization.

A **disqualifying relationship** is defined as a member's material investment in or officer, director, trustee, partner, employee, or agent with an institution or a similar relationship on the part of the member's family.

**Family member** includes:

- 1) Spouse or qualified domestic partner
- 2) Ancestors – parents, grandparents, and great grandparents
- 3) Brothers and sisters (whether whole or half blood)
- 4) Children (whether natural or adopted) and step children
- 5) Grandchildren and great grandchildren
- 6) Spouses of brothers, sisters, children, grandchildren, and great grandchildren

**Qualified Domestic Partner:** an individual who is not legally married or the domestic partner of another individual, is not related to the employee by blood closer than would bar marriage in the State of Indiana, and has lived together as a couple with the employee in a shared residence for at least six (6) consecutive months.

**Director or Trustee:** a member of the organization's governing body, but only if the member has any voting rights.

**Officer:** a person elected or appointed to manage the organization's daily operations, such as a president, vice-president, secretary, or treasurer. For purposes of Form 990 reporting, treat the organization's top management official and top financial official as officers.

**Key Employee:** an employee of the organization (other than an officer, director, or trustee) who meets all three of the following tests:

- 1) \$150,000 Test – receives reportable compensation from the organization and all related organizations in excess of \$150,000 for the year.
- 2) Responsibility Test – The employee has (a) responsibilities, powers, or influence similar to those of officers, directors, or trustees; or (b) managers segment of the organization that represents 10% or more of the activities, assets, income, or expense of the organization, or (c) has or shares control over 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.
- 3) Top 20 Test – The employee is within the organization's top 20 highest paid employees for the year who satisfies the two tests above.

## **ETHICS AND CONFIDENTIALITY**

All communications with the Community Foundation from grantseekers, contractors, or vendors shall be referred to the staff of the Community Foundation for consideration. Any contact made with individual directors or committee members regarding concept letters, grant applications, contracts for services, or purchases from vendors shall be referred to the Community Foundation for consideration following these established procedures.

No organization with which any member of the Community Foundation board, committee thereof, intern, staff, volunteer, or the family members of any such person so affiliated, shall receive any special consideration whatsoever by the Community Foundation or by the staff. No variation in the investment committee policy or in the review or selection of investment managers shall be permitted.

No member of the Community Foundation board, committee thereof, intern, staff, volunteer, or the family members of any such person so affiliated, shall have any monetary benefit, direct or indirect, in any Community Foundation grant to or other transaction with any organization or institution.

No member of the Community Foundation board, committee thereof, intern, staff, volunteer, or the family members of any such person so affiliated, shall actively participate in drafting a grant proposal to the Community Foundation.

Discussions held during all Community Foundation meetings shall be confidential within the limits of the current law. This includes any oral or written information provided by staff and all information concerning possible conflicts of interest, including oral and written communications.

## **DISCLOSURE PROCEDURES**

### **Annual Statements**

Annually, Community Foundation board members, committee members, interns, staff members, and volunteers are required to fill out the Statement of Affirmation and the Conflict of Interest Disclosure Statement identifying any positions held by self or any family member and affiliations with any organization using the following guidelines:

- A. Charitable or Civic Involvement** - All positions which you (or family member) may have as a trustee, director, officer, or key employee of any charitable, civic, or community organization.
- B. Investment Interests** - Any disqualifying relationship which you (or family member) may have with any banking and/or investment entity which currently or within the past year has or is negotiating a transaction or arrangement with the Community Foundation.
- C. Independent Voting Member** [*Directors & Officers Disclosure Only*] - Disclose if you are an independent voting member of the board of directors based on the following definition of independent voting member: A member of the governing body is considered “independent” only if all three of the following circumstances applied at all times during the organization’s tax year:
  1. The member was not compensated as an officer or other employee of the organization or of a related organization (ie: supporting organization), except as provided in the religious exception.
  2. The member did not receive total compensation or other payments exceeding \$10,000 during the organization’s tax year from the organization or from related organizations (ie: supporting organization) as an independent contractor, other than reimbursement of expenses under an accountable plan (expense allowance arrangement that meets requirements of business connection, substantiation, and returning amounts in excess of substantiated expenses under IRS regulations) or reasonable compensation (the value that would ordinarily be paid for like services

by like enterprises under like circumstances) for services provided in the capacity as a member of the governing body. For example, a person who receives reasonable expense reimbursements and reasonable compensation as a director of the organization does not cease to be independent merely because he or she also receives payments of \$7,500 from the organization for other arrangements.

3. Neither the member, nor any family member of the member, was involved in a transaction with the organization or a related organization (ie: supporting organization), whether directly or indirectly through affiliation with another organization, that is required to be reported in Schedule L of Form 990 (Transactions with Interested Persons – see section G of this policy).

**Example:** A is a voting member of both the organization’s governing body, Y, and the governing body of Z, a related organization (ie: supporting organization). A’s daughter, B, received \$40,000 in taxable compensation as an employee of Z. A is not an independent member of the governing body, because B received compensation from Z, a related organization to Y, and the compensation was of a type (compensation to family member of Z’s governing body) and amount (over \$10,000) that would be reportable on Schedule L of Form 990 .

- D. Family Relationships** [*Directors, Officers, & Key Employee Disclosure Only*] - disclose any family relationships you may have with any other trustee, director, officer, or key employee of the organization.

**Example:** A and B serve on the organization’s board of directors. B is A’s brother-in-law. A and B must report a family relationship.

- E. Business Relationships** [*Directors, Officers, & Key Employee Disclosure Only*] - disclose any business relationships between two persons based on any of the following:

1. One person (or family member) is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, director, officer, key employee, or greater than 35% owner.

**Example:** A and B serve on the organization’s board of directors. A is employed by B’s organization in which B is a greater than 35% owner. A and B must report a business relationship.

2. One person (or family member) is transacting business with the other (other than in the ordinary course of either party’s business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the organization’s tax year (indirect transactions are transactions with an organization with which the one person is associated as a trustee, director, officer, key employee, or greater-than-35% owner).

Privileged relationship exception. For purposes of a “business relationship” does not include a relationship between (1) attorney and client, (2) medical

professional (including psychologist) and patient, or (3) priest/clergy and penitent/communicant.

**Example:** A is a key employee of the organization, and B serves on its board of directors. B is a greater-than-35% partner of a law firm that charged \$60,000 during the organization's tax year for legal services provided to A that were worth \$600,000 at the law firm's ordinary rates (thus, the ordinary course of business exception does not apply). However, the relationship between A and B is not a reportable business relationship because of the privileged relationship of attorney and client.

3. Two persons (or family member) are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity.

Ownership is measured by stock ownership (either voting power or value) of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a nonprofit organization, or beneficial interest in a trust. Ownership includes indirect ownership (e.g., ownership in an entity that has ownership in the entity in question); there may be ownership through multiple tiers of entities.

**Example:** A and B are members of the organization's board of directors. Both are CEOs of publicly traded corporations and serve on each other's boards. The relationships between A and B is a reportable business relationship, because each is a director or officer in the same business entity.

**F. Grants or Assistance Benefiting Interested Persons** [*Directors, Officers, Key Employee, Grant Review Committee, and Scholarship Selection Committee Disclosure Only*] – Disclose any grant (including scholarships, fellowships, internships, prizes, and awards) or assistance (including provision of goods, services, or use of facilities) you (or family member) received from the organization, regardless of amount. “Interested Person” means a current or former officer, director, trustee, or key employee, substantial contributor (\$5,000 or more), or a related person. “Related Person” also extends to include:

1. a member (or family member) of the organization's grant selection committee
2. a 35% controlled entity of any of the organization's current or former officers, directors, trustees, key employees, substantial contributors, or of a member of the organization's grant selection committee
3. an employee (or child of an employee) of a substantial contributor or of a 35% controlled entity of a substantial contributor, but only if the employee (or child of an employee) received the grant or assistance by the direction or advice of the substantial contributor or 35% controlled entity, or pursuant to a program funded by the substantial contributor that was intended primarily to benefit such employees (or their children).

Exception: Grants to employees awarded on an objective and nondiscriminatory basis, based on pre-established criteria and review by a selection committee would not be required to be reported.

**G. Business Transactions Involving Interested Persons** [*Directors, Officers, & Key Employee Disclosure Only*] - Disclose any business transactions for which payments were made during the organization's tax year between the organization and an interested person, if such payments exceed the reporting thresholds below:

Reporting thresholds include aggregate payments exceeding \$100,000, all payments during the year from a single transaction between such parties exceeding the greater of \$10,000 or 1% of the filing organization's total revenues, or compensation payments by the organization paid to a family member of certain persons exceeding \$10,000.

Business transactions include contracts of sale, lease, license, and performance of service, as well as joint ventures in which either the profits or capital interest of the organization and of the interested person each exceeds 10%.

Interested persons include officers, directors, trustees, key employees, or their family members, an entity more than 35% owned, directly or indirectly, individually or collectively by current or former officers, directors, trustees, key employees or their family members, an entity (other than a 501(C)) of which an officer, director, trustee, or key employee was serving at the time of the transaction as an officer, director, trustee, key employee, partner or member with an ownership interest in excess of 5% if the entity is treated as a partnership, or a shareholder with an ownership interest in excess of 5% if the entity is a professional corporation.

**Example 1:** A, the child of a current director, is a first-year associate at a law partnership that the organization paid \$150,000 during the tax year. Given that A has no ownership interest in the law firm and is not an officer, director, trustee, or key employee of the firm, the organization is not required to report this business transaction in spite of A's employment relationship to the law firm.

**Example 2:** Same facts #1, except that A is a partner of the law firm and has an ownership interest in the law firm of 5.25% of the profits. The organization must report the business transaction due to A's greater than 5% ownership interest in the law firm and the dollar amount in excess of the \$100,000 threshold.

**Example 3:** Same facts as #2, except that the organization pays \$75,000 in total during the organization's tax year for 15 separate transactions, none of which were in excess of \$10,000. The organization is not required to report the business transaction because the dollar amounts do not exceed either the \$10,000 transaction threshold or the \$100,000 aggregate threshold.

**H. Other** - Any other role (significant donor, volunteer, advocate, or advisor) which you (or family member) may have with any organization which might result in a potential conflict of interest with the Community Foundation.

It is also the responsibility of each board member, committee member, intern, staff member, and volunteer to inform the executive director of any dual or conflicting roles they may have, or have knowledge of, if such are not otherwise made known in the foregoing process. It is then the responsibility of the executive director to inform the president of the Community Foundation and/or affected committee chairs of the dual or conflicting roles, for discussion and resolution by the board at its next scheduled meeting, following the procedure as outlined below. **It is the responsibility of each board member, committee member, intern, staff member, and volunteer to complete a new disclosure statement if circumstances change during the year.**

### **Disclosure of Actual Conflict**

Any possible conflicts shall be disclosed before discussion begins. The minutes of the meeting shall reflect this disclosure. After acknowledging the potential conflict, the interested person may briefly address the other members regarding this matter. The interested person may also answer pertinent questions since personal knowledge on the issue may be of assistance to the other members in reaching their decisions. The interested person, however, will abstain from voting on this issue. For grantmaking decisions, board voting will be done via a consent agenda and conflicts that were disclosed prior to discussion will also be disclosed on the consent agenda completed and signed by each board member.

### **STAFF MEMBERS SERVING OTHER ORGANIZATIONS**

Paid staff members of the Community Foundation may serve on the board of nonprofit organizations. Those organizations, however, are disqualified from applying for or receiving a grant from the Community Grantmaking Fund, any named unrestricted fund, or any field of interest fund of the Community Foundation.

### **ELIGIBILITY FOR SCHOLARSHIPS**

The following categories of individuals and their spouses, siblings, parents, grandparents, children, stepchildren, grandchildren, step-grandchildren, and great-grandchildren are not eligible for assistance from the Community Foundation scholarship programs. Spouses of these individuals are also ineligible.

- a. Paid staff members of the Community Foundation during the last five years are not eligible.
- b. Members of the Board of Directors of the Community Foundation during the last five years are not eligible.
- c. Scholarship selection advisory committee members appointed by the Community Foundation during the last five years are not eligible for assistance from the scholarship programs with which they are involved.
- d. School staff members (for example, teachers, principals, and guidance counselors) involved in the evaluation and/or selection of scholarship nominees are not eligible for assistance from those scholarship programs at that school during the year their child is applying for scholarships.
- e. Scholarship fund donors are not eligible for assistance from the scholarship fund for which they are the primary donor or for whom the fund is named.

In addition, any person who was in a position to exercise substantial influence over the scholarship selection process is ineligible. The determination of whether a person was in such a position will be made solely by the Board of Directors of the Community Foundation.

Scholarship applicants must disclose relationships with any of the above groups.

Members of the categories listed above may receive recognition resulting from the appropriate nomination or application process. Recognition will be accompanied by a public disclaimer stating that the monetary award is not being granted.

## **SUPPORTING ORGANIZATIONS**

Because the Community Foundation has supporting organizations, it is important that the requirements applicable to the board, committees, interns, staff, and volunteers of the Community Foundation be observed, to the extent possible, by the various supporting organizations. Thus, each supporting organization should be furnished with a copy of this Conflict of Interest Policy by the staff of the Community Foundation and should be requested to have each member of its board, committee thereof, and staff members furnish the information required to the Community Foundation, and otherwise conform to the policy. The Community Foundation hopes to avoid even the appearance of a conflict of interest in making the difficult decisions involved in the allocation of the Community Foundation funds for charitable purposes and in conducting the business of the Community Foundation and its supporting organizations.

**Community Foundation of Greater Fort Wayne Inc.**

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**STATEMENT OF AFFIRMATION**

By signature below, I acknowledge that I can answer affirmatively the ethical questions posed and will endeavor, to the best of my ability, to further the stated purposes and mission of the Community Foundation of Greater Fort Wayne Inc.

1. Do I fully understand the dictates as expressed in the attached Ethical Principles Statement and the Conflict of Interest Policy Statement?
2. Am I careful in conversation with others about Community Foundation activities, particularly confidential information, to assure the protection of the privacy of donors, grantees, and applicants?
3. Am I careful to avoid doing or saying anything that might be perceived to be unethical or dishonest, even though it is not?
4. Do I understand that I must report to the president or the executive director any incident which may be unethical or a conflict of interest?
5. Do I insist upon confidentiality in any dealings with donors, bankers, brokers, attorneys, accountants, consultants, and others with whom I deal?
6. Have I reported any gifts that I have received which might be perceived as a conflict of interest or might have an impact on my Community Foundation activities?

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

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Committee(s): \_\_\_\_\_

**Community Foundation of Greater Fort Wayne Inc.**

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**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

*Please Print*

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

Current employer or other principal business affiliation:  
\_\_\_\_\_

Position with Community Foundation:  
\_\_\_\_\_

**A. Charitable or Civic Involvement**

Please disclose all positions which you (or family member) may have as a trustee, director, officer, or key employee of any charitable, civic, or community organization. If none, state "none".

<b>Organization/Name of Company</b>	<b>Position</b>	<b>Self or Family member</b>

**B. Investment Interests**

Please disclose any disqualifying relationship which you (or family member) may have with any banking and/or investment entity which currently or within the past year has or is negotiating a transaction or arrangement with the Community Foundation. See Attachment A for a current listing. If none, state "none".

<b>Organization/Name of Company</b>	<b>Position</b>	<b>Self or Family member</b>

**C. Independent Voting Member *[Directors & Officers Disclosure Only]***

Please disclose if you are an independent voting member of the board of directors based on criteria outlined in section C of the Disclosure Procedures in this Conflict of Interest Policy.

\_\_\_\_\_ Yes      \_\_\_\_\_ No

**D. Family Relationships [Directors, Officers, & Key Employee Disclosure Only]**

Please disclose any family relationships you may have with any other trustee, director, officer, or key employee of the organization based on criteria outlined in section D of the Disclosure Procedures in this Conflict of Interest Policy. See Attachment A for a current listing. If none, state “none”.

<b>Name of related person</b>	<b>Relationship</b>

**E. Business Relationships [Directors, Officers, & Key Employee Disclosure Only]**

Please disclose any business relationships you may have based on criteria outlined in section E of the Disclosure Procedures in this Conflict of Interest Policy. See Attachment A for a current listing. If none, state “none”.

<b>Name of related person/organization</b>	<b>Description of transaction and amount</b>	<b>Self or Family member</b>

**F. Grants or Assistance Benefiting Interested Persons [Directors, Officers, Key Employee, Grant Review Committee, and Scholarship Selection Committee Disclosure Only]**

Please disclose any grant or assistance you (or family member) received from the organization based on criteria outlined in section F of the Disclosure Procedures in this Conflict of Interest Policy. See Attachment A for a current listing. If none, state “none”.

<b>Amount of grant or assistance</b>	<b>Description of grant or assistance</b>	<b>Self or Family member</b>

**G. Business Transactions Involving Interested Parties [Directors, Officers, & Key Employee Disclosure Only]**

Please disclose any business transactions involving you (or family member) based on criteria outlined in section G of the Disclosure Procedures in this Conflict of Interest Policy. See Attachment A for a current listing. If none, state “none”.

<b>Type of Relationship (Family or Business)</b>	<b>Description of transaction and amount</b>	<b>Self or Family member</b>

**H. Other**

Please disclose any role (significant donor, volunteer, advocate, or advisor) which you (or family member) may have with any organization which might result in a potential conflict of interest with the Community Foundation. If none, state "none".

Organization/Name of Company	Position	Self or Family member

**[Directors, Officers, & Key Employees]**

**How many hours per week do you estimate you devote to the organization?** \_\_\_\_\_

**REMINDER:** If at any time there is a matter under consideration that may constitute a direct or indirect conflict of interest or duality of interest, it is your obligation to disclose the facts to the Community Foundation, and abstain from voting and refrain from using your personal influence on the matter.

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

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Committee(s): \_\_\_\_\_

**ATTACHMENT A**  
***As of December 2009***

**Board of Directors**

Darrell Blanton  
Andy Brooks  
Kathy Callen, Vice President\*  
Howard L. Chapman, Secretary\*  
Carol A. Durham  
Jane Gerardot  
Gregory A. Johnson  
Thomas M. Kimbrough  
Carol Lindquist  
Tracy L. Shellabarger, President\*  
Todd Stephenson, Treasurer\*  
Marcia Tapp-Sanders  
Ris  Taylor  
James M. Vann  
W. Paul Wolf

\*Denotes Officer

**Staff**

Neil Anderson  
David J. Bennett\*  
Heidi Ludwig\*  
Christine Meek  
Donna Moore  
Rhonda Pequignot  
Beth Regedanz  
Annette Smith  
Lori Voght  
Lydia Von Uderitz  
Julia Wine

\*Denotes Officer

**Supporting Organizations**

Community Partnerships Inc.  
Fort Wayne Central Improvement Foundation Inc.

### **Investment Managers**

Vanguard Index 500 Fund  
National City Large Cap Growth (thru November 2009)  
Harbor Capital Appreciation Fund (as of December 2009)  
Fifth Third Large Cap Value  
Vanguard Mid Cap Index Fund Adm.  
National City Small Cap Core Fund (thru November 2009)  
Kalmar Growth with Value  
National City Focused Small Cap Value (thru November 2009)  
CRM Small Cap Value Fund (as of December 2009)  
DFA International Value Fund  
DFA International SC Value Fund  
DFA Emerging Markets Value Fund  
Wells Fargo Total Return Bond Fund  
PIMCO Investment Grade Corp. Bond Fund (as of June 2009)  
JP Morgan Ultra Core Bond Fund (thru May 2009)  
PIMCO Total Return Fund  
Cohen & Steers Global REIT Fund  
Wells Fargo Brokerage  
JP Morgan  
Phillips Financial  
UBS  
American Funds  
Fifth Third Bank  
Wells Fargo Bank  
Fund Evaluation Group (FEG) – Investment Consultants

### **Key Vendors**

Dulin, Ward & DeWald  
Fast Print Inc.  
Grabill Bank  
Haines, Isenbarger & Skiba  
Indiana Department of Revenue  
Indiana Insurance Co.  
Indiana Michigan Power  
MicroEdge Inc.  
Midwest Consulting Group LLC  
NAI Harding Dahm  
Office Depot  
One Communications  
Physicians Health Plan  
Scott Voelker Inc. dba Office Pride  
Vision Scapes Lawn & Maintenance  
Wells Fargo Bank  
Wells Fargo Insurance