



## **Conflict of Interest Policy**

### **I. Overview**

#### **Purpose**

The purpose of this Conflict of Interest policy is to protect Bread for Life's interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a board member or the executive director, result in the payment of excessive compensation to a board member or the executive director, or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

#### **Why is a policy necessary?**

As a nonprofit, charitable organization, Bread for Life is accountable to both government agencies and members of the public for responsible and proper use of its resources. Board members and the executive director have a duty to act in Bread for Life's best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage Bread for Life's reputation and expose both it and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for Bread for Life

#### **To whom does the policy apply?**

This policy applies to board members, the executive director and all employees.

## **II. Identifying Conflicts of Interest**

### **What is a conflict of interest?**

A potential conflict of interest arises when an individual board member or employee or that person's relative or business (a) stands to gain a financial benefit from an action that Bread for Life takes or a transaction into which Bread for Life enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the individual in discharging their duties to Bread for Life.

### **What are some examples of potential conflicts of interest?**

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a board member, the executive director, or employee or that person's relative or business:

- has an ownership or investment interest in any third party that Bread for Life deals with or is considering dealing with;
- serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that Bread for Life deals with or is considering dealing with;
- receives or may receive compensation or other benefits in connection with a transaction into which Bread for Life enters;
- receives or may receive personal gifts or loans from third parties dealing with Bread for Life;
- serves on the board of directors of another nonprofit organization that is competing with Bread for Life for a grant or contract;
- has a close personal or business relationship with a participant in a transaction being considered by Bread for Life;
- would like to pursue a transaction being considered by Bread for Life for their personal benefit.

In situations where there is uncertainty, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.

**A potential conflict is not necessarily a conflict of interest.** A person has a conflict of interest only if the board development committee decides, pursuant to Section IV of this policy, that a conflict of interest exists.

### **III. Disclosing Potential Conflicts of Interest**

A board member, the executive director or employee must disclose to the best of their knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the board development committee.

Board members, the executive director and employees must file an annual disclosure statement in the form attached to this policy.

### **IV. Determining Whether a Conflict of Interest Exists**

After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned individual, the board development committee shall determine whether there is a conflict of interest. The concerned individual shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.

In determining whether a conflict of interest exists, the board development committee shall consider whether the potential conflict of interest would cause a transaction entered into by Bread for Life to raise questions of bias, inappropriate use of Bread for Life's assets, or any other impropriety.

If the board development committee determines that there is a conflict of interest, it shall refer the matter to the board of directors.

### **V. Procedures for Addressing a Conflict of Interest**

When a matter involving a conflict of interest comes before the board, the board may seek information from the individual with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.

If, after hearing the concerned individual's response and after conducting an

investigation, the Board determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **VI. Minutes and Documentation**

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the person who disclosed or otherwise was found to have a financial interest in connection with an actual or possible conflict of interest;
- b. the nature of the financial interest;
- c. any action taken to determine whether a conflict of interest was present; and
- d. the board's decision as to whether a conflict of interest in fact existed.

## **VII. Procedures for Determining Compensation**

No person shall be present for or participate in board or committee discussion or vote pertaining to:

- a. their own compensation;
- b. the compensation of their relative;
- c. any other compensation decision from which the person might stand to benefit.

Policy reviewed and approved by the Board of Directors on January 12,2021

**Bread for Life**  
**Conflict of Interest Disclosure Statement**

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest Policy;
2. I agree to comply with the policy;
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

1. Any entity in which you participate (as a director, officer, employee, owner, or member) with which Bread for Life has a relationship;
2. Any transaction in which Bread for Life is a participant as to which you might have a conflicting interest; and
3. any other situation, which may pose a conflict of interest.

Name:

Signature:

Date: