

JEWISH FUNDERS NETWORK CONFLICTS OF INTEREST POLICY

This Policy was adopted by the Board of Directors of the Jewish Funders Network at its duly constituted and convened meeting of February 1, 2006.

ARTICLE I: PURPOSE

The purpose of this Conflicts of Interest Policy is to protect the interests of the Jewish Funders Network (hereinafter referred to as “JFN”) as a charitable, tax-exempt organization when it is contemplating entering into any transaction or arrangement that might benefit the private interest of any Director, Officer, member of a committee with Board of Directors-delegated powers (hereinafter referred to as an “Authorized Committee”) of JFN or staff member of JFN, or might result in a possible “excess benefit transaction” or “private inurement” (as defined and interpreted by the Internal Revenue Service). This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations. A conflict of interest may arise when an “Interested Person” (as defined below) has an existing or potential financial or other material interest (Financial or Other Material Interest also defined below) that impairs, or might reasonably appear to impair, his or her independence or objectivity in the discharge of his or her responsibilities and duties to JFN. This policy requires the disclosure of such Financial or Other Material Interest to the relevant JFN entity. In each instance, after such disclosure and adequate investigation of alternatives, JFN shall only authorize or approve a proposed transaction in which an actual or potential conflict of interest is found to exist if it is determined that JFN cannot obtain a more advantageous alternative transaction or arrangement not producing such actual or potential conflict of interest and if the transaction or arrangement is found to be a fair one that will benefit JFN and not improperly benefit the Interested Person.

This policy is intended to aid the Directors, Officers, members of JFN Authorized Committees and JFN staff members in performing their duties and responsibilities to JFN and to prevent their duty of loyalty to JFN from being impaired by the possibility of private gain or advantage in their personal or private capacities. Interested Persons may not, at any time while holding their positions at JFN, use their positions with JFN, any confidential information or materials they have secured as part of their positions with JFN, or the property or assets of JFN in any manner that would provide a personal financial benefit to them or would otherwise be detrimental in any respect to the best interests of JFN. The duty of loyalty that each such Interested Person owes to JFN requires that each such person put the best interests of JFN ahead of his or her personal interests.

ARTICLE II: DEFINITIONS

1. **“Interested Person”** – Any Director, Officer, member of an Authorized Committee, or JFN staff member who has a direct or indirect financial or other material interest, as defined in definition #2 below, is and shall be deemed an “Interested Person”.

2. **“Financial or Other Material Interest”** – An Interested Person has a financial or other material interest if that person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity or individual with which or with whom JFN has or is contemplating any transaction or arrangement;

 - b. A compensation arrangement with JFN or with any entity or individual with which or with whom JFN has or is contemplating any transaction or arrangement;

 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which or with whom JFN is negotiating a transaction or arrangement or contemplating such transaction or arrangement.

Compensation includes any direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial or Other Material Interest is not necessarily a conflict of interest. Under Article III, Section 2 below, an Interested Person who has a Financial or Other Material Interest may have a conflict of interest only if the appropriate Board of Directors, Officers or Authorized Committee decides, under all the facts and circumstances presented, that an actual or potential conflict of interest exists.

ARTICLE III: PROCEDURES

1. **Duty to Disclose** – In connection with any actual or potential conflict of interest, an Interested Person must disclose the existence of the Financial or Other Material Interest and be given the opportunity to disclose all material facts and circumstances to the Board of Directors, Officers or members of the Authorized Committee that is considering the proposed JFN transaction or arrangement. An Interested Person shall not attempt to influence any other Director, Officer, member of and Authorized Committee or JFN staff member regarding any matter in which the Interested Person may have a Financial or Other Material Interest, without first disclosing the existence of that interest.

2. **Determining Whether a Conflict of Interest Exists** – After disclosure of the Financial or Other Material Interest by the Interested Person and all material facts and circumstances relating thereto, and after discussion with the Interested

Person, he/she shall leave the meeting of the Board of Directors, Officers or Authorized Committee while the determination as to the existence of an actual or potential conflict of interest is discussed and voted upon by the remaining members (the existence of a quorum not being broken by such non-participation). The remaining members of the Board of Directors, Officers or Authorized Committee shall decide if an actual or potential conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest –

- a.** An Interested Person may make a presentation at the meeting of the Board of Directors, Officers or Authorized Committee, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote upon, the transaction or arrangement involving the potential conflict of interest.
- b.** The Chairperson(s) of the Board of Directors, Officers or Authorized Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the Board of Directors, Officers or Authorized Committee shall determine whether JFN can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing an actual or potential conflict of interest, the Board of Directors, Officers or Authorized Committee shall determine, by a majority vote of the disinterested members, whether the proposed transaction or arrangement is in the best interests of JFN, for the benefit of JFN itself, and whether it is fair and reasonable under all the facts and circumstances then known to the disinterested Directors, Officers or Authorized Committee members. In conformity with the above determination, the Board of Directors, Officers or Authorized Committee shall make its decision as to whether or not to enter into the proposed transaction or arrangement. Any such decision made by an Authorized Committee may not take effect until the Board of Directors has reviewed and approved such decision.

4. Violations of the Conflicts of Interest Policy –

- a.** If the Board of Directors, Officers or Authorized Committee has reasonable cause to believe that an Interested Person has failed to disclose one or more actual or potential conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford that

Interested Person an opportunity to explain his or her alleged failure to disclose such conflict of interest.

- b.** If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board of Directors, Officers or Authorized Committee determines that the Interested Person has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action (in the case of the Board of Directors or Officers), or in the case of an Authorized Committee, refer the matter to the Board of Directors for such disciplinary and corrective action.

ARTICLE IV: RECORDS OF PROCEEDINGS

The minutes of the Board of Directors, Officers and all Authorized Committees shall contain:

- 1.** The names of the Interested Person or other persons who disclosed a Financial or Other Material Interest on the part of any Interested Person, and/or the names of any Interested Person who was found to have had a Financial or Other Material Interest, in connection with an actual or potential conflict of interest; the nature of the Financial or Other Material Interest; any action or investigation taken to determine whether an actual or potential conflict of interest was found to be present or to exist; and the Board of Director's, Officers' or Authorized Committee's decision as to whether a conflict of interest in fact existed or potential conflict of interest existed.
- 2.** The names of all persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement that were considered or discussed, and a record of any votes taken in connection with the proceedings.

ARTICLE V: COMPENSATION

- 1.** A voting member of the Board of Directors or Officer who receives compensation or other remuneration, directly or indirectly, from JFN for services rendered, is precluded from voting on matters relating to that member's compensation or remuneration.
- 2.** A voting member of any Authorized Committee whose jurisdiction includes compensation matters and who receives compensation or other remuneration, directly or indirectly, from JFN for services rendered, is precluded from voting on matters pertaining to that member's compensation or remuneration.

3. No voting member of the Board of Directors, Officers or any Authorized Committee, or staff member, whose jurisdiction includes compensation or remuneration matters and who receives compensation or other remuneration, directly or indirectly, from JFN, either individually or collectively, is prohibited from providing information to the Board of Directors, Officers, or any Authorized Committee regarding compensation or remuneration.

ARTICLE VI: ANNUAL STATEMENTS

Each Director, Officer, member of an Authorized Committee and staff member shall annually sign a statement (in the form attached hereto) that, amongst other things, affirms that such Interested Person:

1. Has received a copy of this Conflicts of Interest Policy;
2. Has read and understands the Policy;
3. Has agreed to comply with the Policy;
4. Understands that JFN is a charitable organization and that in order to maintain its tax-exempt organizational status, it must engage primarily in activities that accomplish one or more of its charitable, tax-exempt purposes.
5. Discloses any Financial or Other Material Interest and the facts and circumstances relating thereto.

ARTICLE VII: PERIODIC REVIEWS

In order to ensure that JFN operates in a manner consistent with its charitable, tax-exempt organizational purposes, and does not engage in any activity or activities that could or would jeopardize such tax-exempt status, periodic reviews shall be conducted. Such periodic reviews shall, at a minimum, include the following:

1. Whether compensation or other remuneration arrangements and benefits are reasonable, based on competent survey information, and in each case, the result of arm's length bargaining;
2. Whether any JFN partnerships, joint ventures, contracts and other arrangements with third-party organizations, firms or entities (whether profit or non-profit) conform to JFN's written policies, including this Conflicts of Interest Policy, and are properly recorded, reflect reasonable investment or payments for needed goods and services rendered or to be rendered, further the charitable, tax-exempt organizational purposes of JFN, and do not result in "private inurement", "impermissible private benefit", or in an "excess benefit transaction" (as those terms are defined or interpreted by the Internal Revenue Service).

ARTICLE VIII: USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII above, JFN may, but shall not be required to, use outside third-party advisors, experts and other professionals. If such outside experts are used, their use shall not relieve the Board of Directors of JFN from its responsibility for assuring that periodic reviews are conducted in the manner provided for in this Conflicts of Interest Policy.

JEWISH FUNDERS NETWORK

CONFLICT OF INTEREST DISCLOSURE STATEMENT

The Conflicts of Interest Policy of JFN requires that each Interested Person (as defined in such Policy) annually: (i) affirm to JFN in writing certain specified matters as set forth below; and (ii) disclose to JFN any Financial or Other Material Interest (also as defined in such Policy) that might directly or indirectly constitute a conflict of interest, as further described in such Conflicts of Interest Policy, in relation to his or her position with JFN and any transaction or arrangement that the JFN Board of Directors, Officers, Authorized Committee, or staff has entered into or is contemplating.

Please initial each statement that applies to you:

_____ I have received a copy of the JFN Conflicts of Interest Policy and have read and understand it.

_____ I hereby agree to comply with the JFN Conflicts of Interest Policy.

_____ I understand that JFN is a charitable organization and that in order to maintain its tax-exempt organizational status, JFN must engage primarily in activities that accomplish one or more of its charitable, tax-exempt purposes.

_____ I have no actual knowledge and am aware of no Financial or Other Material Interest, as defined in the JFN Conflicts of Interest Policy.

_____ I have a Financial or Other Material Interest as defined in such JFN Conflicts of Interest Policy. I hereby disclose all facts and circumstances concerning such Financial or Other Material Interest and conflict of interest that are known to me, as described in the attached letter. (*Please attach a letter providing complete details, facts and circumstances concerning such Financial or Other Material Interest*).

Signature: _____

Printed Name: _____

Position with JFN: _____

Date: _____, 20____.