



GiveMN Policy Collection

Effective January 1, 2018



2. CODE OF BUSINESS CONDUCT

2.3. Conflict of Interest

2.3.1. General

GiveMN believes that effective governance depends on deliberate, thoughtful, and objective decision-making. Decisions must be made in the best interests of the organization and/or its mission, be fair and reasonable to the organization, and not be influenced by the financial or personal interests of individual organization representatives. This applies to all levels of decision-making, including decisions involving matters of organizational policy, contracting for or purchasing goods and services, program selection, and other transactions.

GiveMN wishes to avoid those situations in which an ordinarily prudent person would reasonably conclude that an organization representative's financial or personal interests could have interfered with objective decision-making about a GiveMN transaction. As a result, GiveMN representatives (as defined in the Introduction) must fully disclose potential conflicts of interest to the appropriate individuals in accordance with this policy in advance of any decision-making, and excuse themselves from decisions where a conflict of interest could interfere with objective decision-making. While this policy provides guidance for identifying and managing conflicts, it is not intended to be all-inclusive and should be interpreted in a manner that furthers the goals of decision-making described above.

2.3.2. Conflicts Defined

A conflict of interest arises when a GiveMN representative who is in a position to influence a GiveMN transaction has a material interest (as described below) which could influence their



judgment regarding the transaction. A conflict of interest may also arise when one GiveMN representative considers a transaction in which another GiveMN representative has a material interest.

A person has a material interest in the transaction when they or a related person: (i) directly transacts business with GiveMN, or (ii) has more than a *de minimus* financial interest in the transaction, such as where they have an ownership interest in an entity with which GiveMN is transacting business, receives compensation or gifts from, or is a significant creditor of, such an entity (however, ownership of less than 2% of a publicly traded company will not be deemed to be a material interest); or (iii) has an organizational affiliation with an entity engaged in or significantly affected by a GiveMN transaction, (e.g. when the organization representative is also a board or board committee member, officer, employee, or fundraiser; a legal or other representative; a significant contributor (using \$1,000 or more in a given year as a guideline); or volunteer (using 50 or more hours in a given year as a guideline) with the entity). Generally, having an ordinary friendship or other non-family relationship with a person transacting business with GiveMN will not be considered a material interest, except where there is a reasonable likelihood that the interest could interfere with the GiveMN representative's objective judgment about the transaction.

Those who are considered to be in a position to influence a transaction will generally be those who recommend, consider, and/or approve the transaction.

A related person means a spouse, parent, child, spouse of a child, brother, sister, spouse of a brother or sister, and all members of the GiveMN representative's household.

GiveMN aspires to maintain the highest level of candor in its professional relationships and to honor the spirit and practice of conflict disclosure. We recognize that there may be situations in which a conflicting interest is so far removed from a particular decision-making process that it is not reasonably likely to interfere with objective decision-making or be reasonably perceived as doing so. Nevertheless, the relationship should be disclosed under the procedures set forth in this policy and be managed in a manner consistent with goals of decision-making set forth above.

Circumstances in which a conflict of interest may arise include, but are not limited to:

- a. Purchasing goods or services from vendors and consultants or otherwise contracting for business with an entity in which a GiveMN representative or related person has an interest (such as an ownership or investment interest) or is a director, officer, or employee;
- b. Investing GiveMN's funds in a manner which could result in a gain for a GiveMN representative or related person; or
- c. Granting funds to an organization in which a GiveMN representative or related person is an active participant (e.g. as a board member, staff, significant volunteer, or participant on a fundraising committee or other fund raising effort).

This list is not all-inclusive and it is the intention of GiveMN to encourage disclosure of any transaction in which a GiveMN representative has a separate financial or personal interest.

2.3.3. Disclosure of Conflicts and Procedure

It is GiveMN's policy to deal with conflicts of interest in an open manner through an annual disclosure statement and through clear identification of actual or apparent conflicts of interest as they arise.

2.3.3.1. Annual Disclosures

On an annual basis, a disclosure form will be completed by all board and board committee members, officers, and certain other organization representatives who are requested to complete the form by the board; the executive director; and employees. GiveMN representatives



completing the form must fully disclose all actual or apparent conflicts of interest involving themselves or related persons, including community boards, corporations, or other organizations with which they or related persons are affiliated which may be expected to engage in transactions with the organization.

2.3.3.2. Transaction Disclosures and Procedures

Transactions where a conflict of interest exists may proceed only as follows:

- a. Transactions not involving board or board committee decision-making
 1. The material facts as to the transaction and the person's conflicting interest must be fully disclosed to the executive director; and
 2. The executive director will determine a procedure for deliberating on the transaction. Any person with a conflict of interest will be excluded from the deliberations and approval of such a transaction, except that, if requested, the person may provide information of a factual nature to those considering and approving the transaction.
 3. If the executive director is the one with the conflict, then the material facts as to the transaction and the conflicting interest must be fully disclosed to the board chair who shall bring the matter to the attention of the board or a duly constituted committee thereof.
- b. Transactions involving decision-making by the board and board committees
 1. The material facts as to the transaction and as to the conflict of interest will be fully disclosed at the board or committee meeting before any discussion, vote, or other action on the transaction. If a member is not going to attend a meeting, but has reason to believe a transaction on which they have a conflict will be considered, they will disclose the conflict to the chair in advance, who will report the disclosure at the meeting.
 2. If requested, the board or board committee member who has a conflict of interest may provide information of a factual nature to the board or committee, but may not attempt to exert their personal influence with respect to the matter, either at or outside the meeting.
 3. The board or board committee member who has a conflict will be ineligible to vote on the transaction. If the matter requires discussion, the board or board committee member may choose to leave the room or the board chair or committee chair may request that they leave the room prior to the board or committee deliberating and voting on the issue. Approval of the transaction will require approval in good faith by a majority of those entitled to vote and not counting the person or persons with a conflict in determining the presence of a quorum. If a person ineligible to vote is counted in determining a quorum, the transaction may only be approved in good faith by two-thirds of the members entitled to vote, or as otherwise permitted by applicable law. The board's action on the transaction must be made in the best interests of the organization and/or its mission and be fair and reasonable to GiveMN.
 4. If the chair of the meeting has a conflict of interest, the vice chair or designee will preside over the deliberations and vote on the issue.
 5. The disclosure and ineligibility of any member to vote will be reflected in the minutes of the meeting.

If a board or board committee member is uncertain as to whether a conflict of interest exists, they will disclose the circumstances to the chair or the chair's designee, who may either determine whether a conflict of interest exists that is subject to this policy or may submit the matter to the board or board committee for such a determination.



While the chair is responsible for assuring that this policy is adhered to, all board and board committee members are responsible for their actions related to the policy.

