1. PURPOSE

The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of Yampa Valley Community Foundation, a Colorado nonprofit corporation (the “Foundation”), in connection with any transaction or arrangement that might benefit the private interests of any Covered Person, as defined below. This Policy provides: (i) a process for disclosing and evaluating potential and actual conflicts, and (ii) procedures for the Foundation’s board of trustees (the “Board”) to follow when considering any transaction or arrangement in which a conflict may exist.

2. PERSONS COVERED BY THE POLICY

This policy applies to “Covered Persons,” defined as the Foundation’s trustees, officers, and employees. Every Covered Person shall complete an Annual Conflict of Interest Questionnaire, the form of which is attached.

3. DUTIES OF COVERED PERSONS

   a. Duty of Care. Every Covered Person shall perform his or her duties for the Foundation in good faith and with the degree of care an ordinarily prudent person would exercise under similar circumstances.

   b. Duty of Loyalty. Every Covered Person must act with loyalty to the Foundation, meaning no Covered Person may use his or her position with the Foundation to make a personal profit or gain other personal advantage.

   c. Duty of Obedience. Every Covered Person shall seek to ensure that the Foundation complies with applicable laws and regulations; follows its governing documents, including its articles of incorporation and bylaws; and adheres to its mission.

   d. Confidentiality. No Covered Person shall disclose any confidential information related to the Foundation’s activities and operations to any person or entity unless disclosure is related to the legitimate business of the Foundation.

   e. Conflicts of Interest. No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve actual or potential conflicts of interest with the Foundation, except in compliance with this
Policy. Covered Persons should avoid both actual conflicts of interest and the appearance of conflicts of interest. Every Covered Person shall:

(i) Disclose all actual and potential conflicts in accordance with Section 5, below; and

(ii) Recuse himself or herself from voting on any transaction or arrangement in which he or she has an actual or potential conflict of interest, and shall not be present when any such vote is taken.

4. CONFLICT OF INTEREST

a. Actual or Potential Conflict. A Covered Person may have a conflict of interest with respect to a transaction or arrangement whenever he or she, or any of his or her family members, directly or indirectly:

(i) Receives compensation or other funding directly or indirectly from the Foundation and the transaction or arrangement involves such compensation or funding (e.g., a Foundation employee has a conflict of interest with respect to the determination of his or her own compensation);

(ii) Has or anticipates having any financial interest, including an ownership interest, investment interest, or compensation arrangement in or with, or serves or anticipates serving as a director, trustee or officer of, any entity that either: (i) sells goods or services to, or purchases services from, the Foundation; or (ii) has any other transaction or arrangement with the Foundation; or

(iii) Has accepted any gift, entertainment, or other favor where such acceptance might create the appearance of influence on the Covered Person (other than gifts of nominal value that are clearly tokens of respect and friendship unrelated to any particular transaction).

b. No Conflict. A Covered Person does not have a conflict of interest if the Covered Person owns securities of a publicly traded company with which the Foundation has a transaction or arrangement if:

(i) Such securities are less than 5% of the outstanding securities of the publicly traded company; and

(ii) Their fair market value is less than 1% of the Covered Person’s net worth.

5. DISCLOSURE AND EVALUATION OF CONFLICTS

a. Disclosure. Each Covered Person shall promptly and fully disclose all material facts of every actual or potential conflict of interest:
(i) Existing at the time he or she becomes a Covered Person;

(ii) Arising while he or she is a Covered Person, at the time such actual or potential conflict arises; and

(iii) Annually through the Conflict of Interest Questionnaire.

All disclosures involving a transaction or arrangement being considered at a meeting of the Board or a Board committee shall be made to all members present at such meeting. All other disclosures shall be made to the Executive Director (who shall disclose his or her conflicts to the Board). A Covered Person who is in doubt as to the existence of a conflict of interest is encouraged to disclose all facts pertaining to the transaction or arrangement before undertaking the transaction or arrangement or making any decision in the matter.

b. Evaluation. The Executive Director shall disclose to the Board all conflicts of interest reported to him or her under this Policy. The Board will evaluate the disclosures to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the situation.

6. PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

a. Formal Approval. The Foundation may enter into a transaction or arrangement in which a Covered Person has a conflict of interest if:

(i) The Covered Person has disclosed the conflict of interest in accordance with this Policy;

(ii) A majority of trustees who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board or Board committee meeting after determining, in good faith and after reasonable investigation, the transaction or arrangement is fair and reasonable to the Foundation and is in the Foundation’s best interest;

(iii) Any Covered Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however, any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement); and

(iv) The Board relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to the Foundation.

b. Transaction Fair to the Foundation. It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as
the transaction or arrangement is in fact fair to the Foundation, furthers its tax-exempt purposes, and does not result in inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

7. RECORDS OF PROCEEDINGS

a. Content of Minutes. The minutes of any Board or Board committee meeting described above shall contain:

   (i) The names of the persons who disclosed an actual or potential conflict of interest or otherwise were found to have a conflict of interest, and the nature of the conflict of interest; and

   (ii) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement considered and the appropriate comparability data relied upon, and a record of any votes taken.

b. Timing. The minutes of any meeting described above shall be prepared by the next succeeding meeting of the Board or Board committee.

8. ENFORCEMENT

Each Covered Person shall sign a statement acknowledging he or she has received a copy of this Policy, has read and understands it, and agrees to comply with it. If the Board has reasonable cause to believe a Covered Person has failed to comply with this Policy, the Board may counsel the Covered Person regarding such failure and, if the issue is not resolved to the Board’s satisfaction, may consider additional corrective action as appropriate.

CERTIFICATION

The undersigned, as Secretary of the Foundation, hereby certifies the foregoing Conflict of Interest Policy was duly adopted by the Foundation effective as of the 18 day of July, 2019.

[Signature]

Name: Kathryn Pedersen
Secretary