

Conflict of Interest Policy: Utah Council for Citizen Diplomacy (UCCD)

Article I

Purpose

The purpose of the conflict of interest policy is to protect the Utah Council for Citizen Diplomacy's interest when contemplating or entering into a transaction or arrangement that might benefit the private interest of an officer or director of UCCD or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which UCCD has a transaction or arrangement,
- b. A compensation arrangement with UCCD or with any entity or individual with which UCCD has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which UCCD is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts

to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or 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 governing board or committee shall determine whether UCCD 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 a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in UCCD's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. 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, and a record of any votes taken in connection with the proceedings.

Article V Compensation

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from UCCD for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from UCCD for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from UCCD, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy,
- b.** Has read and understands the policy,
- c.** Has agreed to comply with the policy, and
- d.** Understands UCCD is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure UCCD operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- a.** Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b.** Whether partnerships, joint ventures, and arrangements with management organizations conform to UCCD's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, UCCD may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Utah Council for Citizen Diplomacy
Related Party Questionnaire

1. Have you or any related party of yours had any material interest, direct or indirect, in any transaction (complete or pending) since October 1, 2008, to which UCCD or any of its affiliates was, or is to be, a party?

2. Have you or any related party of yours been indebted to UCCD or any of its affiliates at any time since October 1, 2008? Please exclude amounts due for purchases on usual trade terms and for ordinary travel and expense advances.

3. Have you or any related party of yours had any material interest, direct or indirect, in any transaction since October 1, 2008, or in any pending or incomplete transaction, to which any pension, retirement, savings or similar plan provided by UCCD or any of its affiliates was, or is to be, a party? Do not include payments to a plan or payments by the plan made pursuant to the terms of the plan.

4. UCCD is required to disclose the name of related parties, including individuals, if such parties have management control within UCCD sufficient to exert significant influence over NCIV's management or operating policies which could cause significantly different operating results or financial position of UCCD. If you have ownership or management control of another entity which could significantly affect the operating results or financial position of UCCD, please indicate the nature of the relationship.

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Date

Signature

Name (Please Print)

Definitions for Purposes of This Questionnaire

Related Party

Means affiliates of UCCD, entities for which investments are accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the management; management; members of the immediate families of trustees and management, and other parties with which the enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Affiliate

Means a party that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with UCCD.

Control

Means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a specified party whether through ownership, by contract, or otherwise.

Principal Owner

Means the owner(s) of record or known beneficial owner(s) of more than ten percent (10%) of the voting interests of an entity.

Management

Means any person(s) having responsibility for achieving the objectives of UCCD and the concomitant authority to establish the policies and make the decisions by which such objectives are to be pursued. It would normally include members of the Board of Trustees, the president, secretary, treasurer and vice president in charge of a principal business function (such as fundraising, program, finance, or administration), and other individual persons who perform similar policymaking functions.

