

LAKE FOREST – LAKE BLUFF SENIOR CITIZENS FOUNDATION CONFLICT OF INTEREST POLICY

Purpose of Policy

This conflict of interest policy is designed to help directors, officers, employees and independent contractors of the Lake Forest-Lake Bluff Senior Citizens Foundation (the “Foundation”) identify situations that present potential conflicts of interest and to provide the Foundation with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall control. Capitalized terms are defined in Part 2 of this policy.

1. Conflict of Interest Defined.

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

- a. **Outside Interests.**
 - i. An Agreement or Transaction between the Foundation and a Responsible Person or Family Member.
 - ii. An Agreement or Transaction between the Foundation and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- b. **Outside Activities.**
 - i. A Responsible Person competing with the Foundation in the rendering of services or in any other Agreement or Transaction with a third party.
 - ii. A Responsible Person’s having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with the Foundation in the provision of services or in any other Agreement or Transaction with a third party.
- c. **Gifts, Gratuities and Entertainment.** A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:
 - i. does or is seeking to do business with, or is a competitor of the Foundation; or
 - ii. has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from the Foundation;
 - iii. is a charitable organization;
 - iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of the Foundation.

2. Definitions.

- a. A “Conflict of Interest” is any circumstance described in Part 1 of this Policy.
- b. A “Responsible Person” is any person serving as an officer, director, employee or independent contractor of the Foundation.
- c. A “Family Member” includes a Responsible Person’s spouse, domestic partner, ancestor, children, grandchildren, great grandchildren, siblings (whether by whole or half-blood), and the spouses or domestic partners of children, grandchildren, great grandchildren, and siblings.
- d. A “Material Financial Interest” in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. This includes all forms of compensation. (The board may wish to establish an amount that it would consider to be a “material financial interest.”)
- e. An “Agreement or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by the Foundation. The making of a gift to the Foundation is not an Agreement or Transaction within the meaning of this document.

3. Procedures.

- a. Before board or committee action on an Agreement or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board’s or committee’s discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to an Agreement or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Agreement or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting.
- e. Responsible Persons who are not members of the board of directors of the Foundation, or who have a Conflict of Interest with respect to an Agreement or Transaction that is not the subject of board or committee action, shall disclose to the Chair or the Chair’s designee any Conflict of Interest that such Responsible Person has with respect to an Agreement or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect the Foundation’s participation in such Agreement or Transaction.

- f. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
4. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of the Foundation. Furthermore, a Responsible Person shall not disclose or use information relating to the business of the Foundation for the personal profit or advantage of the Responsible Person or a Family Member or the Responsible Person's company.
 5. Review of Policy.
 - a. Each new Responsible Person shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so, that they understand the Policy and will comply with it.
 - b. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to the Foundation. Each Responsible Person should also disclose to the board of directors any potential Conflict of Interest that may arise during the course of the year between the submission of annual disclosure forms. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
 - c. This policy shall be reviewed annually by each member of the board of directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

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**CONFLICT OF INTEREST POLICY:
ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT**

The Foundation follows a Conflict of Interest Policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering a transaction or arrangement that might benefit the private interest of a Responsible Person or Family Member.

Part I. Acknowledgment of Receipt.

I hereby acknowledge that I have received a copy of the Conflict of Interest Policy of the Foundation, have read and understood it, and agree to comply with its terms.

Signature

Date

Printed Name

Part II. Disclosure of Material Financial Interests.

The Foundation is required to file Form 990 with the Internal Revenue Service annually and the form is available to the public. To complete Form 990 fully and accurately, we need each Responsible Person to disclose the information requested.

A Conflict of Interest, for purposes of Form 990, arises when a Responsible Person may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to Family Members or businesses with which the Responsible Person or Family Members are closely associated.

<p>Part II Please check ONE of the following boxes:</p> <p><input type="checkbox"/> My interests and relationships have not changed since my last disclosure of interests. [Proceed to signature block below. Do not complete the tables.]</p> <p style="text-align: center;">OR</p> <p><input type="checkbox"/> I hereby disclose or update my interests and relationships that could give rise to a Conflict of Interest: [Complete the table below. Use additional pages as needed.]</p>	
Family Member	Names of those presenting a potential Conflict of Interest
Includes spouse, domestic partner, ancestors, children, grandchildren, great grandchildren, siblings (whether whole or half-blood) or the spouse or domestic partner of children, grandchildren, great grandchildren and siblings.	
Type of Interest	Description of a Material Financial Interest that could lead to a Conflict of Interest
Transactions or arrangements with the Foundation	
Transactions or affiliations with other nonprofit organizations	
Substantial business or investment holdings	
Transactions or affiliations with businesses not listed above	
<p>I am not aware of any Material Financial Interest involving me or a Family Member that could present a Conflict of Interest that I have not disclosed either above or in a previous disclosure statement.</p>	
_____	_____
Signature	Date

Printed Name	