



A program of  
Rotary District 5030

## CONFLICT OF INTEREST POLICY

### 1. PURPOSE

The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of the Harvest Against Hunger and Harvest Against Hunger directors, officers and members of the committees of Harvest Against Hunger 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 systematic mechanism for identifying, disclosing and evaluating potential and actual conflicts; and (ii) procedures for the Board of Directors, or Executive Committee, in considering any transaction or arrangement where a conflict may exist.

The purpose is to also ensure that all members of the Board of Directors and other Covered Persons exercise the highest level of fiduciary responsibility in fulfilling their roles. In doing so, they shall adhere to high ethical standards, to the principle of transparency in all activities and dealings, and to the Rotary 4-Way Test.

**The Rotary 4-Way Test** asks, of the things we think, say, or do:

Is it the **TRUTH**?

Is it **FAIR** to all concerned?

Will it build **GOODWILL** and **BETTER FRIENDSHIPS**?

Will it be **BENEFICIAL** to all concerned?

This Policy supplements, but does not replace, the Harvest Against Hunger bylaws and any applicable laws governing conflicts of interest applicable to nonprofit corporations or charitable organizations.

### 2. PERSONS COVERED BY THE POLICY

This policy applies to "Covered Persons," defined as any Harvest Against Hunger trustee, officer, or member of any committee of Harvest Against Hunger's Board of Directors that has authority to act on behalf of the Board of Directors. Every Covered Person shall complete an annual Conflict of Interest Questionnaire.

### 3. DUTIES OF COVERED PERSONS

- a. Duty of Care. Every Covered Person shall perform his or her duties for the Club in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.
- b. Duty of Loyalty. Every Covered Person must act with loyalty to Harvest Against Hunger, meaning that no Covered Person may use his or her position with Harvest Against Hunger to make personal profit, gain or other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to Harvest Against Hunger unless the Board of Directors determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.
- c. Conflicts of Interest. No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. Covered Persons should avoid both actual conflicts and the appearance of conflicts of interest. Every Covered Person shall:
  - (i) Disclose all actual and potential conflicts as set out below at Section 5; and
  - (ii) Recuse himself/herself from voting on any transaction or arrangement in which he/she has a potential or actual conflict of interest.

### 4. CONFLICT OF INTEREST

1. Existence of a Conflict. A Covered Person may have a conflict of interest whenever he or she, or any of his or her family members:
  - i. Receives compensation or other funding directly or indirectly from Harvest Against Hunger;
  - ii. Has or anticipates having a compensation arrangement with any entity or individual that either: (a) sells goods or services to or purchases services from Harvest Against Hunger; or (b) has any other transaction or arrangement with, including the receipt of grants from Harvest Against Hunger;
  - iii. Has or anticipates having any ownership or investment interest of two percent (2%) or more in, or serves or anticipates serving as a director or officer of, any entity that either: (a) sells goods or services to or purchases services from Harvest Against Hunger; or (b) has any other transaction or arrangement with Harvest Against Hunger;
  - iv. Serves or has agreed to serve as a director or officer of any entity that solicits or receives grants from Harvest Against Hunger; or
  - v. Has accepted any gift, entertainment, or other favor from an entity or individual having a relationship with Harvest Against Hunger described in Subsections (ii) through (iv) above where such acceptance might create the appearance of influence on the Covered Person (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction).
2. 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 Harvest Against Hunger 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 5% of the Covered Person's annual gross income.

## 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 when he/she becomes a Covered Person;
  - ii. That arises while he/she is a Covered Person, at the time such actual or potential conflict arises; and
  - iii. Annually through the annual Conflict of Interest Questionnaire.

All disclosures involving a transaction or arrangement being considered at a meeting of the board or a committee shall be made to all members present at such meeting. All other disclosures shall be made to the president (who shall disclose his or her conflicts to the Executive Committee).

- b. Evaluation. The president shall disclose to the Executive Committee conflicts of interest reported to him or her under this Policy. The Executive Committee 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. The Executive Committee may then consider any actual conflicts of interest under Section 6 or may refer the matter to the Board of Directors for consideration. Conflicts of the type described in Section 4.a.ii. shall be considered by the Board of Directors.

## 6. PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

- a. Formal Approval. Harvest Against Hunger 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 directors who have no interest in the transaction or arrangement approve the transaction or arrangement at a board or committee meeting after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to Harvest Against Hunger and is in Harvest Against Hunger'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, that any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement);
  - iv. The disinterested directors rely upon appropriate comparability data, where pertinent, in reaching their determination as to the fairness and reasonableness of the transaction or arrangement to Harvest Against Hunger; and

- v. The disinterested directors have given due consideration to principles concerning inurement, impermissible private benefit, and excess benefit transactions under laws applicable to organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

- b. Transaction Fair to Harvest Against Hunger. 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 Harvest Against Hunger, 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 the Board of Directors or committee of the board for any meetings 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 latter of the next succeeding meeting of the Board of Directors or committee, or 60 days after the final action on the matter is taken by the Board of Directors or committee.

## 8. ANNUAL STATEMENT; ENFORCEMENT

Each Covered Person annually shall sign a statement conforming to 9A.72.085 of the Revised Code of Washington acknowledging that he or she:

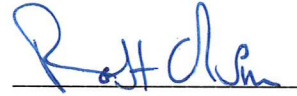
- a. Has received a copy of the Policy,
- b. Has read and understands the Policy, and
- c. Agrees to comply with the Policy.

If the Board of Directors or Executive Committee has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the board or committee 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.

**CERTIFICATE OF ADOPTION**

The foregoing Conflict of Interest Policy was adopted by the Board of Directors of the Harvest Against Hunger at a meeting duly held on the 4<sup>th</sup> day of November, 2019.

By:



Robert Olson, Secretary

*Board Approved 11/04/19 Conflict of Interest Policy*