



THE COMMUNITY  
FOUNDATION  
FOR NORTHEAST FLORIDA

# PRINCIPLES AND POLICIES OF ETHICAL CONDUCT AND CONFLICT OF INTEREST DISCLOSURE

Approved: February 10, 2005  
Latest Revisions: December 15, 2016

## Preface

The principles of ethical conduct for professionals and volunteers in the philanthropic community are important. Those who presume to serve the public good must assume a public trust.<sup>1</sup> In grantmaking, especially, fairness is paramount.

Fairness is one of the most fundamental of all ethical principles, embodying notions of justice, equity, due process, openness, and consistency. It is also one of the more elusive...rarely is there only one possible decision that could objectively be considered fair. Instead, fairness more often refers to a range of morally justifiable outcomes rather than discovery of the fair answer. Therefore, in the pursuit of fairness, the decision-making process is vital.<sup>2</sup>

The principles of ethical conduct for staff and volunteer leaders of The Community Foundation for Northeast Florida, Inc.(the “Foundation”) are set forth in the following Conflict of Interest Statement and Policies and Principles and Practices for Effective Grantmaking. The Board of Trustees (the “Board”), as the governing body of the Foundation, subscribes to these principles and policies and requires that all members of the Board, members of all formally constituted working committees of the Board, other volunteers involved in the Foundation’s grantmaking process, and Foundation staff adhere to them, and the Foundation’s Confidentiality Policy, to help assure fairness in the Foundation’s decision-making processes.

## I. CONFLICT OF INTEREST STATEMENT AND POLICIES

The individuals on the Foundation’s governing Board and on its formally constituted committees and other volunteers represent a diversity of backgrounds and interests. The Foundation benefits from that broad base of experience. The professional staff employed by the Foundation is civic-minded and have a range of interests which enhance their abilities to perform their jobs. Occasions may arise where a member of the Board, Foundation committee or staff, or a member of the immediate family of one of those persons, has some association or relationship with an organization or business which could be deemed to create or could be viewed as a conflict of interest, whether or not such would actually be the case. Therefore, the Foundation has created specific policies which prevent such conflicts from compromising the Foundation’s integrity.

Conflicts of interest fall into two general categories: Business Conflicts and Relations with Potential Grantees.

Business Conflicts: A business or financial potential conflict of interest arises when (1) the Foundation has business or financial dealings with a corporation, partnership or other business

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<sup>1</sup>Independent Sector, *Ethics and the Nation’s Voluntary and Philanthropic Community: Obedience to the Unenforceable*, Washington, DC, 1991, p.1.

<sup>2</sup>Michael Josephson, *Ethics in Grantmaking and Grantseeking*, Joseph and Edna Josephson Institute of Ethics, 1992, p.89.



enterprise of which a Board member, committee member, other volunteer, or staff member, or a person in the immediate family of one of those persons, is an officer, director, partner or substantial stockholder (10% or more of the outstanding shares), (2) a grant to a not-for-profit organization is made, the primary purpose of which is to support a transaction with such a person or business enterprise, or (3) any such person could expect financial gain or loss from a particular decision.

Relations with Potential Grantees: A conflict of interest could arise in connection with a decision to make a grant to a not-for-profit organization of which a Board or grantmaking committee member, or a person in their immediate family, is an officer, director or trustee. Such conflict could also arise out of a similar relationship between a grantseeker and another volunteer or a staff member.

### ***POLICIES ON CONFLICTS OF INTEREST***

1. When a possible business or financial conflict arises, the affected Board or committee member or other volunteer or staff member should disclose the possible conflict at the meeting at which the action or business dealing is considered. The Board or committee member or volunteer should abstain from voting. However, anyone who is not voting for this reason, or any staff member who has such a conflict, may briefly state his or her position in the matter and answer any pertinent questions when such knowledge may be helpful to the entire Board or committee.
2. When a possible conflict of interest becomes relevant to the making of any grant, the affected Board or committee member or other volunteer shall call it to the attention of the Board or committee, shall not vote on the matter and shall not attempt to exert personal influence in connection with the decision of the Board or committee. However, any person who is excluded from voting because of such possible conflict of interest may briefly state his or her position in the matter and answer pertinent questions of other members when such knowledge will be helpful to the entire Board or committee.
3. No member of the staff of the Foundation will serve as a trustee or officer of any organization which might conceivably be an applicant for funds, and it shall be incumbent upon all staff members to inform the Board of any involvement with an organization that might cause a conflict of interest. Staff shall not evaluate requests or make recommendations for grants to any organization of which any member of their immediate family is a governing member, and shall notify President of this or any other involvement with an organization that might cause a conflict of interest.

Annually, Board members, members of formally constituted committees, and staff shall attest to their understanding and agree to be governed by and to abide by all of the principles and policies set forth herein, and to provide a list of potential grantees with whom they or a member of their immediate family have a governing or leadership role. The grantee list shall serve as disclosure of possible conflict(s) at the meeting at which the action or business dealing is considered, as to the grantees listed, and the affected Board or committee member or staff member shall then act with respect to such matter in accordance with the foregoing policy.

## II. PRINCIPLES AND PRACTICES FOR EFFECTIVE GRANTMAKING

As a member of the Council on Foundations, the Foundation subscribes to the Council's Principles and Practices for Effective Grantmaking. The Foundation in turn asks all of its Board members, committee members, other volunteers, and staff to acknowledge and subscribe to the well-recognized ideals for good practice reflected therein.

### *Preamble*

Foundations reflect philanthropic impulses to promote the public good. We recognize the wide diversity of philanthropic goals. We also strive to respect donors' charitable intentions expressed in organizational charters and core documents as we apply our philanthropic resources to contemporary social conditions. We attend to the future through prudent stewardship of financial and other resources, and we recognize that accountability calls for openness, responsiveness, fairness and trust. In short, we hold ourselves responsible to those who created us, those with whom we currently interact and those who may look to us in the future.

### *Clear Goals and Procedures*

**Clarity of Purpose.** We establish policies and procedures that define our program interests and our fundamental objectives.

**Governing Body.** An identifiable board, committee or other decision-making body is responsible for establishing and implementing our policies and procedures and reviewing and revising them on a regular basis.

**Grantmaking Procedures.** We establish and follow clear processes for receiving, reviewing and acting on grant applications that are consistent with our policies and purposes. We communicate openly with grantseekers about our grantmaking policies and procedures.

We make readily available a brief written statement about policies, program interests, grantmaking practices, geographic and policy restrictions and preferred ways of receiving applications. It is important that grantseekers whose proposals fall outside our interests are notified in a timely manner and that those whose proposals are still under consideration are informed of the steps and timing that will be taken in reaching the final decision.

**Informing the Public.** All forms required by government are completed accurately and filed in a timely manner. In addition, we inform the public about our activities through various means, such as publication of periodic reports (including annual reports, newsletters and reports to national and local organizations that publish information on grantmaking) and through electronic and other communication channels.

### *Legal Knowledge*

Complying with the law is essential, and we recognize that inadvertent violations can occur if the



basic legal rules are not understood. We provide adequate training and ongoing legal advice to ensure that our governing board and staff are well informed.

### ***Accountability***

**Ethical Behavior.** Accountability extends beyond the requirements of the law. We establish and carry out policies that recognize multiple obligations for accountability: to the charter provisions by which our donors defined basic expectations, to the charitable institutions we serve, to the general public and to appropriate national and local governmental agencies.

**Self-Evaluation.** We regularly review our program interests and operating policies, the composition of our Board and staff and the overall effectiveness of our grantmaking.

**Conflicts of Interest.** Beyond the legal requirements that forbid staff, Board members and their families from profiting financially from any philanthropic grant or activity, we weigh carefully all circumstances in which there exists the possibility or appearance of conflict of interest. Our policies require staff and Board members to disclose to their governing bodies the nature of any personal or family affiliation or involvement with any organization for which a grant is considered, even though such affiliation may not give rise to any financial or other conflict of interest.

### ***Addressing Change***

We are alert and responsive to the changing conditions in society and to the evolving needs of grantseeking organizations. In responding to new challenges, we use the knowledge, experience and insight of other individuals and groups to complement the guidance of those persons, families or corporations from which our funds originally came.

### ***Diversity***

We affirm and value human diversity in its many forms. We seek diversity to ensure that a range of perspectives, opinions and experiences is recognized and acted upon to enhance our ability to contribute to the common good in our changing society. We reflect this diversity in multiple ways, such as through our grantmaking, through membership on our Board, committees, staff and advisors and through our business practices.

### ***Constructive Relationships***

**Grantseekers.** The relationship between grantmaker and grantseeker is based on mutual respect, candor and understanding. We strive to ensure that each invests the necessary time and attention to define clearly the purposes of the grant, the expectations as to reports related to financial and other matters and the provisions for evaluating and publicizing results. Beyond providing financial support, many grantmakers offer guidance to grant-seekers such as assistance in refining objectives, monitoring performance, evaluating outcomes, strengthening board governance and encouraging early planning for the future.

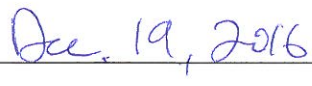
**Colleague Organizations.** We interact with others in the field of philanthropy to exchange information, further our missions and advance the role of philanthropy in society.

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The foregoing Principles and Policies of Ethical Conduct were approved at a meeting of the Board of Trustees on December 15, 2016.

Signatures:

  
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John Zell, Secretary

  
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Date