

**UNITED JEWISH FUND AND COUNCIL
POLICY REGARDING
CONFLICTS OF INTEREST AND DISCHARGE OF DUTIES
FOR DIRECTORS AND OFFICERS**

**ARTICLE I
PURPOSE**

The purpose of this policy is to protect the interest of United Jewish Fund and Council (hereinafter, “the Organization”) when it is contemplating entering into a transaction or arrangement, or making a grant that might benefit the private interest of an officer or director of the Organization, or the interest of another organization for which an officer or director serves as an officer or director. This policy is intended to supplement, but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

**ARTICLE II
DEFINITIONS**

A. Interested Person.

A director, officer or member of a committee with board-delegated powers who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

B. Financial Interest.

A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or his or her immediate family:

1. an ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
2. a compensation arrangement with the Organization (other than for services as an officer, director or employee) or with any entity or individual with which the Organization has a transaction or arrangement; or
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a

conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

ARTICLE III
DISCHARGE OF DUTIES

A. Standard of Care.

It is the responsibility of each director and officer of the Organization to discharge his or her duties as a director or officer in good faith, in a manner the person reasonably believes to be in the best interests of the Organization, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

ARTICLE IV
CONFLICTS PROCEDURES

A. Duty to Disclose.

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and be given the opportunity to disclose all material facts relating to his or her Financial Interest to the directors or members of committees with board-delegated powers considering the proposed transaction or arrangement.

B. 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, the Interested Person must leave the board (or committee) meeting while the Financial Interest is discussed and voted upon. The remaining board (or committee) members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

1. An Interested Person may make a presentation at the board or committee meeting regarding the proposed transaction or arrangement, but after such presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the proposed transaction or arrangement that results in the conflict of interest.
2. The chairperson of the board (or committee) shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the board (or committee) shall determine whether the Organization can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the board (or committee) shall determine by a majority vote of the disinterested directors (or committee members), whether the transaction or arrangement is in the Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

ARTICLE V **VIOLATIONS**

A. Procedure.

If the board (or committee) has reasonable cause to believe that a person subject to this policy has failed to disclose actual or possible conflicts of interest or failed to discharge his or her duties in accordance with Article III, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure.

B. Action.

If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the board (or committee) determines that the person has, in fact, failed to discharge his or her duties in accordance with this policy or to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE VI **RECORDS OF PROCEEDINGS**

The minutes of meetings of the board (or committee) 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 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 discussions, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

ARTICLE VII **COMPENSATION**

The following shall apply to any compensation committee:

- A. A voting member of the board of directors who receives compensation, directly or indirectly, from the Organization 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 the Organization for services, is precluded from voting on matters pertaining to that member's compensation.

ARTICLE VIII **ANNUAL STATEMENT**

Each director, officer and member of a committee with board-delegated powers shall complete and sign a Conflicts of Interest Policy Annual Statement at the time of his or her initial election or appointment and annually thereafter. The current form is attached hereto as Exhibit A.

ARTICLE IX **PERIODIC REVIEWS**

To ensure the Organization operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.
- B. Whether partnership and joint venture arrangements and arrangements with management service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services,

further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

ARTICLE X
USE OF OUTSIDE ADVISORS

In conducting the periodic reviews provided for in Article IX, the Organization may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Adopted: _____

STP:142598.1

EXHIBIT A

**CONFLICTS OF INTEREST POLICY
ANNUAL STATEMENT**

The undersigned, being a director, officer or member of a committee with board-delegated powers of United Jewish Fund and Council, hereby acknowledges the following:

1. I have received a copy of the United Jewish Fund and Council Policy Regarding Conflicts of Interest and Discharge of Duties for Directors and Officers (the "Policy").
2. I have read and understand the Policy.
3. I agree to comply with the Policy.
4. I understand that the Policy applies to the board of directors, all committees and subcommittees having board-delegated powers and all officers.
5. I understand that United Jewish Fund and Council is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of their tax-exempt purposes.
6. The following information concerning conflicts and potential conflicts is true, correct and complete to the best of my knowledge:

A. I serve or represent United Jewish Fund and Council in the following capacity:

Title:

B. I am a director, officer, employee or legal representative, or I have a material financial or beneficial interest in the following organizations which may have dealings or interactions with United Jewish Fund and Council:

Organization:

Title:

C. I am not involved in any activity or transaction, nor am I a party to a contract involving interests which could be found to be adverse to United Jewish Fund and Council except for the following:

D. I am not pursuing any business opportunities which might adversely affect United Jewish Fund and Council except for the following:

E. I bring to your attention the following potential conflicts of interest in addition to those, if any, disclosed in B, C and D above: (If none, insert "None.")

Dated: _____

Printed or Typed Name

Signature