

**THE HEALTH FOUNDATION OF GREATER CINCINNATI
CONFLICT OF INTEREST POLICY
FOR BOARD OF DIRECTORS AND OFFICERS**

I. Purpose.

Directors of the Foundation, members of committees of the Board of Directors and the Foundation's officers are selected, in part, based on their involvement in the business community, health care and/or charitable endeavors. Therefore, it is to be expected that conflicts of interest or the appearance of such conflicts may arise. This policy is intended to provide guidance to Directors, committee members, officers and the Foundation in resolving actual or potential conflicts of interest.

II. Definitions.

- "*Associate(s)*" means: (i) any corporation or organization (other than the Foundation or the Health Foundation Fund) of which you are an director, trustee, officer or partner or, directly or indirectly, the beneficial owner of 5% or more of any class of equity securities or have a 5% or more profits interest; and (ii) any trust or estate in which you have a substantial beneficial interest or as to which you serve as trustee or in a similar capacity.
- "*Fiduciary Relationship*" means a relationship where a duty of care or a duty of loyalty is owed to an entity. Examples of a fiduciary relationship include acting as a trustee, director, officer or employee of such entity, but do not include normal arms-length business relationships.
- "*Foundation*" means The Health Foundation of Greater Cincinnati.
- "*Family*" means, in addition to your spouse and children, step-children, or any other relative (including adoptive relationships) living with you.
- "*Gifts, Gratuities and Entertainment*" means gifts, excessive entertainment, (e.g., entertainment having a value of more than two hundred fifty dollars (\$250.00) in a calendar year) or other favors from any (i) grantee, (ii) applicant for a grant or (iii) other outside concern that does, or is seeking to do, business with the Foundation, under circumstances from which it might reasonably be inferred that such action was intended to influence, or possibly would influence, you in the performance of your duties. This does not include the acceptance of items of nominal or minor value that are clearly tokens of respect or friendship and not related to any particular transaction or activity of the Foundation.
- "*Officer*" means an officer of the Foundation.

- “*Director*” means a member of the Board of Directors of the Foundation. For purposes of this policy statement, the term “Director” shall also be deemed to include any voting member of any committee of the Board of Directors of the Foundation.
- “*Volunteer*” means to provide services without compensation to an entity. Payment or reimbursement of expenses incurred on behalf of such entity is not compensation.

III. Policy.

It is the policy of the Foundation to conduct its business affairs fairly, impartially and in an ethical and proper manner. Conduct that may raise questions as to the Foundation’s honesty, integrity, impartiality or reputation, or activities that could cause embarrassment to the Foundation or damage its reputation should be avoided. The Board of Directors of the Foundation has a responsibility to manage, reduce or eliminate any actual or potential conflicts of interest. The effective implementation of this policy requires that actual or potential conflicts of interest be promptly and fully disclosed.

IV. Questionnaire.

Directors and Officers of the Foundation should annually complete a “Board of Directors Conflict of Interest Questionnaire.” The questionnaire should be updated whenever significant changes occur.

V. Existence of a Conflict.

A Director or an Officer has a conflict of interest if the Director’s or Officer’s judgment and discretion is or may be influenced by considerations of personal gain or benefit or gain or benefit to a third party. All business decisions of the Board of Directors and Officers are to reflect the independent judgment and discretion of the Directors or Officers, uninfluenced by any considerations other than what is honestly believed to be in the best interests of the Foundation.

It is not possible to formulate in advance an all-inclusive set of guidelines regarding potential conflicts of interest. The illustrations shown below provide guidelines for certain types of situations. Specific questions regarding situations which are not clearly covered by the policy statement will be addressed on a case-by-case basis when they arise.

A potential for a conflict exists when: (i) a Director or Officer (or a Family member of a Director or Officer) has a Fiduciary Relationship with a grantee or an applicant for a grant; (ii) a Director or Officer (or an Associate or Family member of a Director or Officer) does business, or is seeking to do business with the Foundation; or (iii) a Director or Officer (or an Associate or Family member of a Director or Officer) receives Gifts, Gratuities and Entertainment.

Directors and Officers **do not** have a conflict of interest as a result of past or current: (i) contributions to a grantee or an applicant for a grant; (ii) Volunteer activities for or on behalf of a third party, so long as the Volunteer activities do not involve a Fiduciary Relationship; or (iii) use of a third party's services or facilities, so long as such use does not involve financial concessions by such third party resulting from the Director's or Officer's service as a Director or Officer of the Foundation.

Unless otherwise determined by the Board, a conflict of interest **does not** result from a transaction between the Foundation and a subsidiary of the Foundation that is exempt from federal income tax under either Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986, as amended.

VI. Addressing a Potential Conflict.

- If a Director believes that an actual or potential conflict exists, the Director should make a full and timely disclosure of the material facts relating to the conflict to the Chairperson of the Board. Disclosure of an actual or potential conflict by the Chairperson shall be made to the Vice Chairperson.
- If an Officer believes that an actual or potential conflict exists, the Officer should make a full and timely disclosure of the material facts relating to the conflict to the President and Chief Executive Officer. The President and Chief Executive Officer will determine whether a conflict exists and may refer the matter to the Executive Committee or the Board of Directors. Any matter involving a conflict by the President and Chief Executive Officer shall be treated as a conflict by a Director.
- If an actual or potential conflict by a Director is reported, the Executive Committee and/or Board of Directors will determine whether a conflict exists. The Executive Committee and/or the Board of Directors may determine that an actual or potential conflict exists whether or not reported. No Director (as to himself or herself) shall participate in the determination of the existence of a conflict of interest.
- If a determination is made that a conflict of interest does not exist, then the reporting Director or Officer may (but is not required to) participate in the matter that gives rise to the potential conflict.
- If a determination is made that a conflict of interest does exist as to a Director, the Board may ask the interested Director to leave the meeting during discussion of the matter that gives rise to the potential conflict; however, the Board may give the interested Director an opportunity to make a presentation to the Board before such discussion. The interested Director will not make or second motions concerning or vote on the matter that gives rise to the potential conflict. The Board shall approve the transaction or arrangement at issue by a majority vote of the disinterested Directors present at the meeting during which the matter giving rise to the conflict is raised, even if the disinterested Directors constitute less than a quorum.

- If a determination is made that a conflict of interest does exist as to an Officer, then, unless the conflict is waived by the President and Chief Executive Officer and such waiver is reported to the Board of Directors, the reporting Officer shall not participate in the matter that gives rise to the conflict.
- In certain circumstances, the Board might consider a transaction (a “Financial Interest Transaction”) involving material personal financial gain or loss to a Director. Financial Interest Transactions do not include grants to organizations exempt from tax under Section 501(c)(3). If a determination is made by the Executive Committee and/or the Board of Directors that a Financial Interest Transaction exists, then in addition to the steps described above:
 - If appropriate, the Board may appoint a non-interested person or committee to investigate alternatives to the proposed transaction or arrangement;
 - In order to approve the transaction, the Board of Directors must first find, by a majority vote of the disinterested Directors (even if less than a quorum), without counting the vote of the interested Director, that the proposed transaction or arrangement is in the Foundation’s best interest and for its own benefit; the proposed transaction is fair and reasonable to the Foundation; and, if appropriate, after such investigation as the Board deems reasonable, the Board has determined that the Foundation cannot obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances; and
 - The interested Director will not be present for the discussion or vote regarding the transaction or arrangement.

Adopted July 8, 1998. Amended June 12, 2002.