

Maureen and Mike Mansfield Foundation

Conflict of Interest Policy and Annual Disclosure Form¹

The purpose of the Mansfield Foundation's Conflict of Interest Policy is to protect this tax-exempt organization from transactions or arrangements that might benefit the private interest of an officer or director, or might result in a possible excess benefit transaction. This policy supplements, but does not replace, applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Definitions

Interested Person – Any board director, officer or committee member who has a direct or indirect financial interest. This policy also applies to the Foundation's Executive Director and Fiscal Affairs Director.

Financial Interest – A person has a financial interest if, directly or indirectly, through business, investment or family, s/he has:

- a. An ownership or investment interest in any entity with which the Mansfield Foundation has a transaction or arrangement,
- b. A compensation arrangement with the Mansfield Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation – Any direct or indirect remuneration, including substantial gifts or favors.

Substantial – A director's financial interest is substantial if it involves:

- a. An ownership or investment interest more than 1% of a publicly traded company's shares or 5% of a privately owned company with which the Foundation is negotiating a transaction,
- b. An ownership or investment interest which produces significant income to a director or one of their relatives,

Each director or officer is required to disclose whether s/he, or one of their relatives, has personal funds invested with an investment manager providing, or expected to provide, investment management services to the Foundation or in a professionally managed investment fund in which the Foundation is invested or is considering investing. A "professionally managed investment fund" shall not include mutual funds or similar investments generally available to the public on essentially the same terms.²

¹ Adapted from IRS Instructions for Form 1023, Appendix A.

² Kurtz and Paul, "Managing Conflicts of Interest: A Primer for Nonprofit Boards," BoardSource, 2006, p. 49.

Procedures

An interested person must disclose a financial interest, which may be an actual or possible conflict of interest related to a proposed transaction or arrangement. After disclosure of the financial interest and related material facts, the interested person will leave the board meeting while determination of a conflict of interest is discussed and voted upon.

After exercising due diligence, the board will determine whether the Foundation can reasonably obtain a more advantageous transaction or arrangement from an entity which would avoid a conflict of interest. If an alternative arrangement is not possible, a majority of disinterested directors will determine whether the transaction with the interested person is fair and reasonable, and decide whether to sanction the arrangement.

Violation of the Conflict of Interest Policy

If an undisclosed conflict of interest is alleged, the board member will be given an opportunity to respond. If the board determines the director failed to disclose an actual or possible conflict of interest, appropriate disciplinary and corrective action will be taken.

The Foundation's board meeting minutes will document the nature of the conflict of interest, the process used in the board's determination, and the corrective actions taken. All board member votes related to the matter will be recorded.

Annual Disclosures

Each board member will annually sign a statement which affirms s/he:

- a. Received a copy of the conflict of interest policy,
- b. Read and understands the policy,
- c. Agreed to comply with the policy, and
- d. Understands the Mansfield Foundation is a nonprofit organization and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Annual Reviews

Annual reviews will be conducted to ensure the Mansfield Foundation operates appropriately as a nonprofit organization. The reviews will minimally include:

- a. An annual financial audit,
- b. Annual compensation surveys ensuring salaries and benefits are reasonable, and
- c. Reviews of contracts to ensure they reflect reasonable payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or excess benefits.

**STATEMENT OF ACKNOWLEDGEMENT AND COMPLIANCE WITH THE
MAUREEN AND MIKE MANSFIELD FOUNDATION'S CONFLICT OF
INTEREST POLICY**

Please initial each statement that applies to you:

I have read and agree to comply with the Mansfield Foundation's Conflict of Interest policy adopted April 26, 2008.

I understand the Mansfield Foundation is a nonprofit organization that must engage primarily in activities, which accomplish its tax-exempt purposes.

I am not aware of any direct or indirect financial or other material interest required to be disclosed by the Conflict of Interest policy.

I have described in the attached letter every direct or indirect financial or other material interest or co-investment interest required to be disclosed under the Conflict of Interest policy.

During the time I serve as a board member for the Mansfield Foundation, I agree to promptly report any future situation that might involve or appear to involve me or a member of my family in any potential conflict of interest with the Foundation.

Date

Board Member Signature