



WINGS FOR WIDOWS

Clearing the Path Forward.™

Conflict of Interest Policy

Article I: Purpose

The purpose of this conflict of interest policy is to establish the procedures applicable to the identification and resolution of conflicts of interest in the context of transactions or arrangements entered into by [Wings for Widows](#) where an Interested Person (defined below) may have a Financial Interest (defined below) in or Fiduciary Responsibility (as defined below) towards an individual or entity with which [Wings for Widows](#) is negotiating a transaction or arrangement. The determination that a conflict of interest exists does not prohibit [Wings for Widows](#) from entering into the proposed transaction or arrangement provided that the procedures set forth in Article III below are followed. 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

1. Interested Person

Any director, officer, employee, or member of a committee with board-delegated powers who has either (a) a direct or indirect financial interest, as defined below (“Financial Interest”); or (b) a fiduciary responsibility to another organization, as defined below (“Fiduciary Responsibility”), is an Interested Person.

2. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment or family (which are spouse or domestic partner, parents, children and stepchildren, siblings, spouse or domestic partner of a sibling, and other relatives living with such person):

- A. An ownership or investment interest in any entity with which [Wings for Widows](#) has a transaction or arrangement (including but not limited to grants);

- B. A compensation arrangement with [Wings for Widows](#) (other than for services as an officer, director, or employee) or with any entity or individual with which [Wings for Widows](#) has a transaction or arrangement (including but not limited to grants);
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which [Wings for Widows](#) is negotiating a transaction or arrangement (including but not limited to grants); or
- D. Other than an arm's-length relationship with prospective or actual grantees relative to the design of specific projects, preparation of specific proposals and review and oversight of funded projects, and [Wings for Widows'](#) related activities.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. Gifts and favors include any gratuitous service, loan, discount, money or article of value, but does not include loans from financial institutional on customary terms, articles of nominal value ordinarily used for sales promotion, ordinary "business lunches" or reasonable entertainment consistent with local social or business customs.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Financial Interest may have a conflict of interest only if the board or appropriate committee decides that a conflict of interest exists.

3. Fiduciary Responsibility

A person has a Fiduciary Responsibility towards an organization or individual if he or she:

- A. Occupies a position of special confidence towards such organization or individual;
- B. Holds in trust property in which another person has the beneficial title of interest, or who receives and controls the income of another; or
- C. Has a duty of loyalty or duty of care to an organization (by virtue of serving as an officer or director of an organization or other position with similar responsibilities). A duty of loyalty requires the person to refrain from dealing with the organization on behalf of a party having an interest adverse to the organization and refrain from competing with the organization. A duty of care requires the person to discharge his or her duties in good faith and in a manner he or she reasonably believes to be in the best interests of the organization.

A Fiduciary Responsibility is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Fiduciary Responsibility may have a conflict of interest only if the board or appropriate committee decides that a conflict of interest exists.

Article III: Procedures

1. Discharge of Duties

It is the responsibility of each director, officer, employee, and member of a committee with board-delegated powers to discharge his or her duties as a director, officer, employee, or committee member in good faith, in a manner the person reasonably believes to be in the best interests of [Wings for Widows](#), and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

2. Duty to Disclose

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her Financial Interest or Fiduciary Responsibility and all material facts to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangements. If an employee, the disclosure can be made to the employee's supervisor, who will communicate the disclosure to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangements. Such disclosure shall be made as soon as the conflict of interest is known to the Interested Person.

3. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest or Fiduciary Responsibility and all material facts, and after any discussion with the Interested Person, he or she shall leave the board or committee meeting while the final determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest

- A. An Interested Person may make a factual presentation at the board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest. An Interested Person shall not actively participate in the discussion of, or vote on, the transaction or arrangement that results in the conflict of interest, either formally at a board or committee meeting or informally through contact with individual board or committee members. In addition, the Interested Person should not be counted in determining whether a quorum is present for the board or committee meeting at which the transaction or arrangement that results in the conflict of interest is to be voted upon.

- B. The chair of the board or committee shall, if appropriate, appoint a Disinterested Person or committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the board or committee shall determine whether [Wings for Widows](#) 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.
- D. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote (or other voting requirement, as provided in the Bylaws of [Wings for Widows](#) of the disinterested directors whether the transaction or arrangement is in [Wings for Widows](#)' interest, and for its own benefit and whether the transaction is fair and reasonable to [Wings for Widows](#), and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- E. Interested Persons who have an actual or potential conflict of interest with respect to a Financial Interest or Fiduciary Responsibility that is not the subject of board or committee action shall refrain from any action that may affect [Wings for Widows](#)' participation in the transaction or arrangement that results in the conflict of interest. In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a conflict of interest that is subject to this policy.

5. Violations of the Conflicts of Interest Policy

- A. If the board or committee has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest or failed to discharge his or her duties in accordance with the fiduciary responsibilities, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the board or committee determines that the Interested 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 actions.

Article IV: Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a Financial Interest or a Fiduciary Responsibility in connection with an actual or possible conflict of interest, the nature of the Financial Interest or Fiduciary Responsibility, 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 names of the persons who recused themselves from such discussion and votes, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article V: Compensation Committees

A voting member of any committee with board-delegated powers whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from [Wings for Widows](#) for services is precluded from voting on matters pertaining to that member's compensation.

Article VI: Annual Statements

Each director, officer, employee, and member of a committee with board-delegated powers annually shall sign an acknowledgement and disclosure form that:

- A. Affirms that such person has received and reviewed a copy of the conflict of interest policy and agreed to comply with its terms; and
- B. Requires that such person disclose any Financial Interest in or Fiduciary Responsibility towards any entity such person believes may enter into a proposed transaction with [Wings for Widows](#) in the upcoming year.

Article VII: Periodic Reviews

To ensure that [Wings for Widows](#) 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 any grants are made to disqualified persons, or otherwise result in an excess benefit transaction; and
- C. Whether arrangements with other organizations conform to [Wings for Widows'](#) applicable written policies, are properly recorded, reflect reasonable payments for goods and services, if any, further [Wings for Widows'](#) charitable purposes and do not result in inurement or impermissible private benefit.

Article VIII: Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, [Wings for Widows](#) may, but need not, use outside experts. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

Conflict of Interest Disclosure Form

1. Conflicting Organizations

I am a director, trustee, officer, employee, representative of, or have a Financial Interest in the following organizations that have or may have a conflict with the interests of [Wings for Widows](#):

Organization and Title or Interest:

2. Conflicting Activities/Obligations

I am involved in no activity or transaction, nor am I a party to any contract involving interests that are or could be found to be adverse to [Wings for Widows](#), except for the following:

3. Conflicting Business Opportunities/Commitments

I have not committed to, nor am I pursuing, any business opportunity that does or might adversely affect [Wings for Widows](#), except for the following:

4. Conflicting Relationships

I do not have a Fiduciary Relationship with any person with whom [Wings for Widows](#) is pursuing a business opportunity, except for the following:

5. Other Potential Conflicts

Any other concerns I may have regarding actual or potential conflicts of interest are listed below:

6. Acknowledgment

The undersigned, being a director, officer, employee, or member of a committee with board-delegated powers of [Wings for Widows](#), hereby acknowledges the following:

1. I have received a copy of [Wings for Widows'](#) Conflict of Interest Policy (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, officers, employees, and members of committees with board-delegated powers of [Wings for Widows](#).
5. I understand that [Wings for Widows](#) is a nonprofit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

6. The above information concerning conflicts and potential conflicts is true, correct, and complete to the best of my knowledge.

Signature

Date

Printed Name

Title/Role