

Conflict of Interest Policy

Leadership Enterprise for a Diverse America (LEDA)

Adopted: May 15, 2012

This Conflict of Interest Policy governs the activities of the Board and senior staff of Leadership Enterprise for a Diverse America (LEDA). Questions about the policy should be directed to the Executive Director, if by staff of LEDA, and to the Chair of the Board or Chair of the Governance Committee, if by a member of the Board or if the matter concerns the Executive Director. It is the duty of all Board and senior staff members to be aware of this policy, to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to: (i) the employee's supervisor, (ii) the Executive Director, or (iii) the Chair of the Board or Governance Committee, as appropriate. This policy provides guidelines for identifying conflicts of interest, disclosing conflicts, and the procedures LEDA will follow in managing conflicts, as well as situations that may result in the appearance of a conflict.

1. What is a conflict of interest?

A conflict of interest arises when a member of the Board or senior staff has a personal interest that conflicts, or appears to conflict, with the interests of LEDA, or a member of the Board or senior staff has divided loyalties (also known as a "duality of interest"). These kinds of conflicts can result in either inappropriate financial gain or the appearance of a lack of integrity in LEDA's decision-making process. Both results are damaging to LEDA and are to be avoided.

- *Example #1:* a person in a position of authority over LEDA may benefit financially from a transaction between LEDA and the Board member or senior staff member; or others closely associated with the Board member or senior staff member may be affected financially. Family members, or their businesses, or other persons or the businesses of persons with whom the Board member or senior staff member is closely associated, could benefit from similar transactions.
- *Example #2:* a conflict of interest could be a direct or indirect *financial interest* such as those described above, or a personal interest such as the situation where a Board member of LEDA is also a Board member of another nonprofit or for-profit entity in the community with which LEDA collaborates or conducts business. For instance, a conflict or appearance of conflict could arise if, in dealings with the other non-profit or for profit entity, a LEDA Board member or senior staff member disclosed or used confidential, special or inside information of or about LEDA to the detriment of LEDA's interests, or for the personal advantage of the Board member or an immediate family member.

2. Who might be affected by this policy?

This policy applies to LEDA's Board members and senior staff. In some cases a major donor could also be in a conflict situation. LEDA takes a broad view of conflicts and Board/staff are urged to think of how a situation/transaction would appear to outside parties when identifying conflicts or possible conflicts of interest.

3. Disclosure of Conflicts

Board members and senior staff will annually disclose and promptly update any disclosures previously made on an Annual Conflicts of Interest Certification form provided by LEDA that requests them to certify that no conflict and no appearance of conflict exists, nor is anticipated.

Board members and senior staff are also urged to disclose conflicts as they arise as well as to disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure is important so that a determination can be made as to the appropriate plan of action to manage the conflict. Senior staff should disclose to the Executive Director, and Board members should disclose to the Chair of the Board or Chair of the Governance Committee as soon as the person with the conflict is aware that a conflict/potential conflict or appearance of conflict exists.

Any such information regarding possible conflicts of interest of a Board member, senior staff member, or a family member thereof, shall be treated as confidential and shall generally be made available only to extent necessary in connection with the implementation of this Policy

4. Procedures to manage conflicts

For each interest disclosed, the Executive Director, Chair of the Board, or Chair of the Governance Committee, as appropriate, will confer with one another and determine whether to refer the matter to the full Governance Committee. The Governance Committee will then decide whether to: (a) refrain from taking formal action, where appropriate (e.g., where the conflict can be easily avoided), or (b) disclose the situation more broadly and invite discussion/resolution by the full Board of what action to take. In most cases the broadest disclosure possible is advisable so that decision-makers can make informed decisions that are in the best interests of the organization.

- When the conflict involves a decision-maker, the person with the conflict (“interested party”): (i) must fully disclose the conflict to all other decision-makers; (ii) may not be involved in the decision of what action to take (e.g., may not participate in a vote), but may serve as a resource to provide other decision-makers with needed information.
- In some cases the person with the conflict may be asked to recuse himself/herself from sensitive discussions so as not to unduly influence the discussion of the conflict.
- In all cases, decisions involving a conflict will be made only by disinterested persons.
- In cases in which the conflict was referred to the full Governance Committee, the fact that a conflict was referred and managed, as well as the outcome, must be reported, where applicable, to other appropriate committee(s) of the Board (e.g., Audit Committee, if the conflict relates to a significant financial issue). The Chair of the Board, working with the committee(s), if applicable, must report the fact that the conflict was managed to the full Board and the report must be recorded in the minutes of a Board meeting.
- The Executive Director will monitor proposed or ongoing transactions of the organization (e.g., contracts with vendors and collaborations with third parties) for conflicts of interest and, if conflicts or potential conflicts are found, will disclose them, as appropriate, to the staff and to the Governance Committee, who will report them to the full Board, whether discovered before or after the transaction has occurred.

5. Review of policy

- Each Board member and senior staff member shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
- This policy shall be reviewed annually by the Board of Directors to ascertain whether any changes or amendments are needed. The policy will be included in orientation material for new Board members, and communicated in writing by the Executive Director to all senior staff. Any changes to the policy shall be promptly communicated in writing to any absent Board members and to all senior staff.

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EXHIBIT A

List of LEDA's Current Vendors, Suppliers, and Parties with Whom LEDA Does Business

- Advocate Creative
- Amazon.com
- Austin & Company, Inc.
- Bank of America Corporation
- Bureau for Good
- Dideography
- Employee Fiduciary, LLC
- Exponent Partners, Inc.
- FMA, Inc.
- Form Assembly, Inc.
- Great American Insurance Company
- The Guardian Life Insurance Company
- The Hartford Financial Services Group, Inc.
- Local Initiatives Support Corporation (LISC)
- MetLife Insurance
- N Cheng & Co., P.C.
- National Student Clearinghouse
- Philliber Research and Evaluation
- Princeton Printer
- Robert Half International, Inc.
- Salesforce.com, Inc.
- SNS Staging Inc.
- Staples, Inc. (Staples Advantage)
- Stout's Charter Services, Inc.
- TIAA-CREF
- T-Mobile US, Inc.
- TNS Group
- TriNet Group, Inc.

Annual Conflicts of Interest Certification
(To be signed and certified by all Board Members and Senior Staff)

During the past year up until and including today, I certify that, except as described below, neither I nor any member of my immediate family have/has been:

- 1) A participant, directly or indirectly, in any arrangement, agreement, investment, transaction, joint venture, or other activity with LEDA itself, nor with any vendor, supplier, or other party doing business with LEDA which has resulted or could result in personal benefit to me or my immediate family. (I certify that I have reviewed a copy of Exhibit A hereto, a list of LEDA's current vendors, suppliers, or other parties with whom LEDA does business.
- 2) A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other payments from or on behalf of any person or organization engaged in any transaction with LEDA.
- 3) Involved in a family or business relationship with any other officer, director, trustee, or key employee of LEDA.
- 4) Involved in any circumstances that could contribute to a conflict of interest between LEDA and my personal interests, financial or otherwise.

Any exceptions to 1 - 4 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I currently have (or have had during the past year) that poses or could pose a conflict of interest with LEDA.

Date: _____

Signature: _____

Printed Name: _____

