

**Fair Factories Clearinghouse**

**Conflict of Interest Policy**

Fair Factories Clearinghouse (FFC) believes that effective governance and operation depend on unbiased decision making by Board of Directors (Board) and staff. FFC recognizes that directors and staff have financial and personal interests unrelated to the organization. However, conflicts of interest or the appearance of conflicts may occasionally arise. Whether or not self-dealing results from a conflict of interest, the existence of a conflict or potential conflict must be disclosed to protect FFC and the individual concerned. In order to avoid impermissible conflict between the personal interests of members of the Board or staff, the Board of FFC has adopted the following policies regarding conflicts of interest. Furthermore, until such time that private foundation status is formally terminated by the Internal Revenue Service, Directors and staff of FFC and their immediate families are or may be “disqualified persons” as defined in the provisions of the Internal Revenue Code (IRC) applicable to private foundations, and they may subject FFC or themselves to penalties for prohibited acts of self-dealing under the IRC. Directors and staff who are unsure whether any contemplated action may be forbidden to them as “disqualified persons” under the Internal Revenue Code should consult FFC’s Executive Director or Chair of the Board.

**Conflict of Interest**

A conflict of interest may exist when a director, employee or member of his or her immediate family has a financial interest in a decision by or on behalf of FFC or when affiliations or other conflicts of loyalties of a Director or employee, with or without having any financial interest, may lead to, or suggest influence in, a decision by or on behalf of FFC.

**Policy**

It is the policy of FFC that no Director or employee shall derive any personal profit, or gain, directly or indirectly, by reason of his or her directorship or employment by FFC, except as authorized by the Board.

Each Director and covered employee shall disclose to the Board any personal interest or possible conflict of interest which he or she may have in any matter pending before the Board or any action taken or to be taken by or on behalf of FFC.

Each individual covered by this policy agrees that such individual, except as authorized by the Board, will not participate in any decision by or on behalf of FFC that materially benefits (a) such individual, (b) a member of such individual’s immediate family, or (c) any organization with which such individual has a formal relationship (regardless as to whether the organization in question is for profit or nonprofit). Notwithstanding the foregoing, with respect to subsection (c) above, members of the Board shall not be precluded thereby from participating in any general policy-making decision (i.e., a decision that is not being made with reference to such organization) by or on behalf of FFC even if such decision will, directly or indirectly, affect such organization.

**Disclosure Statement**

A conflict of interest disclosure statement in the form (attached) shall be furnished annually by each Director and covered employee disclosing any anticipated or possible conflict situations. Covered employees shall be senior employees, other employees who have a decision making role in hiring or contracting or any other employee whom the Executive Director determines should be a covered employee. Each new Director or employee shall be advised of the policy and furnished a disclosure statement upon undertaking the duties of such position.

**Implementation and Voting**

When any conflict of interest is involved in a matter requiring action by the Board, the interested Director shall call it to the attention of the Board and said Director shall not vote on such matter. However, the interested person may, if they elect to in their sole discretion, briefly state her/his position on any matter or answer pertinent questions of other Board or committee members since her/his knowledge may be of assistance with respect to the Board’s deliberations on such matter. In each such case, the interested person shall recuse him/herself when the vote on the matter is called. If a person recuses him/herself he/she shall leave the room during the discussion and during the vote on the issue if requested to do so by a majority vote of the Board or applicable committee.

When there is a doubt as to whether or not a conflict exists, the matter shall be resolved by a vote of the Board, excluding the potentially interested person.

When any conflict of interest may be involved in a matter involving an employee, such employee shall notify the Executive Director of FFC, which shall constitute notice to the Board, and if the conflicted person is the Executive Director, he/she shall notify the Board Chair.

**Definition**

Members of the immediate family shall mean spouse, descendants, parents and siblings. Such term may have broader scope for purpose of the self dealing rules under the IRC, and if a question arises in this regard, the Executive Director or legal counsel should be consulted.

*Adopted: March 1, 2016*



**Fair Factories Clearinghouse (FFC)**

**Conflict of Interest Disclosure Statement**

To: Executive Director, Fair Factories Clearinghouse

I have reviewed the Fair Factories Clearinghouse Conflict of Interest Policy statement and hereby advise as follows:

* During my term of service as a member of the Board of Directors (Board) or employee, I agree to disclose to the Board any personal interest I may have in any matter pending before the Board or in any action taken or to be taken by or on behalf of Fair Factories Clearinghouse.
* The following is a list of companies and/or organizations in which I have an interest, which will or may be expected to engage in transactions with FFC.
* Included below are my current nonprofit affiliations. In the event FFC evaluates a charity (or charities) with which I am affiliated, I will recuse myself from any Board level conversation and decision making regarding the charity (or charities).

|  |  |
| --- | --- |
| Company/Organization | Title/Affiliation |
|  |  |
|  |  |
|  |  |
|  |  |

Name (print)

Signature Date

*Adopted March 1, 2016*