

HUNGER FIGHTERS OREGON - CONFLICTS OF INTEREST POLICY

Approved/Ratified on Sept. 9, 2024

Article I

Purpose

The purpose of this policy is to protect Hunger Fighters Oregon's (HFO) interest when it is considering taking an action or entering into a transaction or arrangement that might benefit the private interest of an officer, an employee, a key person [as defined below] or a member of the Board of Hunger Fighters Oregon ("director") or that might result in the payment of excessive compensation or benefit to the same. For the avoidance of doubt, an "officer" includes any paid or unpaid staff of HFO with one or more of the following positions at HFO: Executive Director, Chief Executive Officer, Chief Financial Officer, and/or Chief Operating Officer (COO). This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Necessity

As a tax-exempt nonprofit charitable organization, HFO is accountable to government agencies, donors, and members of the public for responsible and proper use of its resources. Directors, officers and employees have a duty to act in HFO's best interest and may not use their positions for their own financial or personal benefit. Conflicts expose HFO to legal liability if not handled appropriately. Even the appearance of a conflict can undermine trust and should be avoided.

Application

This policy applies to all directors, officers, employees, and key persons. A key person is someone not a director, officer or employee who has responsibilities, or exercises powers or influence over HFO similar to a director or an officer, such as but not limited to committee members with board-delegated powers and/or responsibilities; or someone who manages a segment of HFO's assets, income, expenses; or who alone or with others controls or determines a substantial portion of HFO's capital expenditures or operating budget.

Article II

Identifying Conflicts of Interest

A potential conflict is when a director, officer, employee, or key person stands to gain, directly or indirectly through business, investment, or family, a financial benefit from an

action that HFO takes or a transaction that HFO enters; or, has another interest that impairs the objectivity of the person discharging their duties to HFO.

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 appropriate governing board or committee decides that a conflict of interest exists. In situations where you are uncertain, err on the side of caution and disclose the conflict as outlined in Article III of this policy.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, the person must disclose the existence of the financial interest and be given the opportunity to disclose in writing all material facts to the directors and any members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the governing board or committee meeting while the 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.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing 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 governing board or committee shall determine whether HFO can - with reasonable efforts - obtain a more advantageous transaction or arrangement 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 possible under circumstances that avoid a conflict of interest, the governing

board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in HFO's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief, in writing, and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the governing 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 in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing 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 content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from Hunger Fighters Oregon for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from HFO for services is precluded from voting on matters pertaining to that member's compensation.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from HFO, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy;
- b.** Has read and understands the policy;
- c.** Has agreed to comply with the policy; and
- d.** Understands Hunger Fighters Oregon is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure Hunger Fighters Oregon operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to Hunger Fighters Oregon's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inure, impermissible private benefit or in an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Hunger Fighters Oregon may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Statement of Understanding and Affirmation

I affirm that I have received and read a copy of Hunger Fighters Oregon's Conflicts of Interest Policy. I understand and agree to comply with the policy during my tenure as a Hunger Fighters Oregon board member, officer, employee, and/or key person [as that term is defined in Article I]. Further, I understand that Hunger Fighters Oregon is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature

Date

Name

Title or Role with HFO