

United Way of Greater Fall River

Policy and Procedures Concerning Conflicts of Interest

Adopted by the Board of Directors – January, 1997

Revised and Confirmed by the Board of Directors – September 26, 2003

Confirmed by the Board of Directors – May 18, 2018

Background

As a matter of policy, the United Way of Greater Fall River, Inc. seeks a diverse array of talents and associations in its volunteer leadership and seeks financial and other support from such leadership. This policy is fundamental to the United Way's mission of soliciting and allocating funds for charitable purposes on behalf of the Greater Fall River community.

With this policy comes the prospect of conflicts of interest, in two contexts:

- Given the range of affiliations and resources represented by the United Way's directors and officers, it is likely that the United Way will, from time to time, find it advantageous to enter into financial transactions that directly or indirectly involve its leadership. Such transactions may include the furnishing of goods, services or facilities needed by the United Way, and in some cases, may have a donative element.
- Given the number and variety of charitable agencies supported by the United Way, it is likely that directors or officers of the United Way will, from time to time, be involved in the leadership of such agencies. The leadership attributes sought by the United Way are also sought by various other charitable organizations.

Policy

While conflicts of interest in situations such as these may be expected, the directors and officers of the United Way have a duty of undivided loyalty to the United Way, and the best interests of the United Way must remain paramount when personal interests of particular directors or officers are involved. To ensure that the best interests of the United Way are served, the following procedures will be observed.

Procedures

1. **Disclosure.** Upon first being elected or appointed, each director or officer (such terms as used herein also to include any individuals having powers or responsibilities similar to those of directors or officers) shall disclose in writing to the Board of Directors, to the best of his or her knowledge:
 - a. Any financial transactions with the United Way that involve the director or officer, his or her immediate relatives, or any entity with which he or she is associated in a significant leadership or ownership capacity (“related-party transactions”); and
 - b. Any association that the director or officer, or his or her immediate relatives, has with any United Way member or affiliated agency as officer, director, trustee or manager.

Thereafter, disclosures shall be updated annually, or sooner if changed circumstances in a particular case may warrant. For this purpose, the United Way will use a disclosure form responsive to applicable regulatory and auditing requirements.

2. **Committee Reviews**

- a. **Related-Party Transactions.** The terms of all related-party transactions shall be reviewed by the Finance Committee, provided that no member of the committee who is interested in any such transaction shall participate in the review of any related-party transactions. The committee shall develop recommendations as to whether, all factors considered, a given transaction is on fair and reasonable terms and is in the best interest of the United Way. For this purpose, a “transaction” may include an ongoing business relationship subject to stated terms.
- b. **Allocations.** Since allocation recommendations are developed principally by volunteers who are not directors or officers of the United Way, a director or officer may participate in the allocations process below the board level even though he or she may be associated with a member or affiliated agency, provided that any director or officer doing so shall observe conflicts-of-interest policies applicable generally to allocations volunteers. Per our long-standing allocation policy, no member of the Executive Allocations Committee may hold a board or volunteer leadership at a member agency. No officer or director of the United Way, who also serves as an officer or director of any agency, should participate in the allocation process in behalf of that agency; unless the individual holds the position of President, Treasurer, or Finance Chairman of that agency, and their participation is crucial to that agency’s presentation of financial information.

3. **Board Consideration and Approval**

- a. **Related-Party Transactions.** The Finance Committee shall report its recommendations as to related-party transactions to the Board of Directors, which shall consider and act upon the matter of approving such transactions. A director or officer may state his or her views, and respond to questions, as to any transactions in which he or she is interested, but an interested director shall state his relationship to the transaction, and shall not be counted for purpose of quorum requirements, and shall not vote, as to any such transaction. Appropriate abstentions will be noted in the minutes of all meetings. In the event that a related-party transaction must be authorized in a timely manner, the Chairman of the Board or Finance Chairman may act as the approving authority. All transactions approved in this manner must only be done on an exception basis and must later be ratified by the Finance Committee and the Board of Directors.

- b. **Allocations.** On occasions when the Board of Directors acts upon recommended allocations to member agencies or other funded agencies funding, a director or officer shall state his association to such agency when speaking on any issue involving that agency. As to participation in the meeting, quorum requirements and voting, the same rules as with related-party transactions shall be observed. Directors and officers must abstain from any allocation vote concerning agencies in which they have an association.