



CONFLICT OF INTEREST Policy Statement

The Parasol Tahoe Community Foundation (Foundation) is a charitable organization whose board members, employees, and individuals serving on standing board committees are chosen to serve the public purposes to which it is dedicated. These persons have a duty to conduct the affairs of the Foundation in a manner consistent with those public purposes and not to advance their personal interests. This conflict of interest policy is intended to permit the Foundation and its Directors, employees, and individuals serving on standing board committees to identify, evaluate and address any real, potential or apparent conflicts of interest that might, in fact or in appearance, call into question their duty of undivided loyalty to the Foundation.

Covered Persons

This policy applies to the Foundation's board members, employees, and individuals serving on standing board committees. Each Covered Person shall be required to acknowledge, not less than annually, that he or she had read and is in compliance with this policy.

Covered Transactions

This policy applies to transactions between the Foundation and a Covered Person, or between the Foundation and another party with which a Covered Person has a significant relationship. A Covered Person is considered to have a significant relationship with another party if:

- a) The other party is a family member, including a spouse or domestic partner, parent, grandparent, sibling, whether whole or half blood, child, whether natural or adopted, stepchild, grandchild, great-grandchild, and in-law including spouses or domestic partners of siblings, children, grandchildren, and great grandchildren.
- b) The other party is an entity in which the Covered Person has a material financial interest. This includes entities of which the Covered Person and all individuals or entities having significant relationships with the Covered Person own, in the aggregate, more than 10 percent.
- c) The Covered Person is an officer, director, trustee, partner, or employee of the other party.

A Covered Transaction also includes any other transaction in which there may be an actual or perceived conflict of interest, including any transaction in which the interests of a Covered Person may be seen as competing or at odds with the interests of the Foundation.

Disclosure, Refrain from Influence, and Recusal

When a Covered Person becomes aware of a proposed Covered Transaction, he or she has a duty to take the following actions:

- a) Immediately disclose the existence and circumstances of such Covered Transaction to the Foundation's board in writing;
- b) Refrain from using his or her personal influence to encourage the Foundation to enter into the Covered Transaction; and
- c) Physically excuse himself or herself from any discussions regarding the Covered Transaction except to answer questions, including board discussions and decisions on the subject.

In order to assist the Foundation in identifying potential Covered Transactions, each Covered Person annually shall complete a Conflict of Interest Questionnaire provided by the Foundation, and shall update such Questionnaire as necessary to reflect changes during the course of the year. Completed Questionnaires shall be available for inspection by any board member, and may be reviewed by the Foundation's legal counsel.

Standard for Approval of Covered Transactions

The Foundation may enter into a Covered Transaction where a) such Transaction does not constitute an act of self-dealing according to IRS guidelines and other applicable laws and regulations, and b) the board determines, acting without the participation or influence of the Covered Person and based on comparable market data, that such transaction is fair and reasonable to the Foundation. The board shall document the basis for this determination in the minutes of the meeting at which the Covered Transaction is considered, and shall consult with the Foundation's legal advisor as necessary to ensure that the Transaction does not constitute an act of self-dealing.

Administration of Policy

This policy shall be administered by the board, which shall be responsible for the following:

- a) Reviewing reports regarding the Conflict of Interest Questionnaire;
- b) Receiving disclosures of proposed Covered Transactions;
- c) Reviewing proposed Covered Transactions to determine whether they meet the standard set forth in this policy;

- d) Maintaining minutes and other such documentation as may be necessary and appropriate to document its review of Covered Transactions; and
- e) Reviewing the operation of this policy and making changes from time to time as it may deem appropriate.