

Conflict of Interest Policy

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1. Purpose/General Rule

The purpose of this policy is to provide guidance in identifying and handling potential and actual conflicts of interest involving the foundation. In most instances, conflicts of interest can be avoided simply by continuing to exercise good judgment and, indeed, the foundation relies on the sound judgment of its employees to prevent many such conflict situations.

The foundation is committed to the highest levels of integrity. Employees of the foundation are expected to conduct their relationships with each other, the foundation, and outside organizations with objectivity and honesty. The general rule is that: foundation employees are obligated to avoid and disclose ethical, legal, financial, or other conflicts of interest involving the foundation, and remove themselves from a position of decision-making authority with respect to any conflict situation involving the foundation.

2. Identification and Management of Conflict Situations

2.1 Basic Definitions

Generally, a conflict of interest may occur if an interest or activity influences or appears to influence the ability of an individual to exercise objectivity or impairs the individual's ability to perform his or her employment responsibilities in the best interests of the foundation.

An individual is considered to have a potential conflict of interest when:

- He or she or any member of his or her family* may receive a financial or other significant benefit as a result of the individual's position at the foundation;
- The individual has the opportunity to influence the foundation's granting, business, administrative, or other material decisions in a manner that leads to personal gain or advantage; or
- The individual has an existing or potential financial or other significant interest which impairs or might appear to impair the individual's independence in the discharge of their responsibilities to the foundation.

2.2 Specific Relationships that May Create Conflicts of Interest

A variety of situations, affiliations and relationships may create potential conflicts of interest. Financial or other relationships (i.e., board/officer or other management positions) by an employee or their family with a prospective or actual grantee, contractor, vendor or supplier could potentially create the appearance of impropriety or interfere with an employee's discharge of the employee's responsibilities on behalf of and in the best interests of the foundation and should be disclosed on the employee's Conflict of Interest Questionnaire. When deciding what kind of relationships should be disclosed, consider the situation from the perspective of an outsider and whether the relationship is of such a nature that it could raise an allegation of an apparent or actual conflict of interest, and then err on the side of transparency, as disclosure helps to alleviate or avoid future misunderstandings. Additionally, certain types of relationships

* The "family" of an individual includes his or her spouse, domestic partner, parents, siblings, children, and any other relative who resides in the *same household*.

between co-workers may create impermissible conflicts of interest. For example, a romantic relationship in the workplace may raise perceptions of bias and favoritism. For these reasons, personal/romantic or financial/business relationships between co-workers that could create the appearance of impropriety or interfere with an employee's discharge of the employee's responsibilities on behalf and in the best interests of the foundation should be promptly disclosed to the General Counsel or Human Resources. See also foundation's "[Personal Relationships in the Workplace Policy](#)."

2.3 Disclosure and Management of Conflicts of Interest

Should an appearance of impropriety or actual conflict of interest exist, appropriate actions must be taken, which will vary depending upon the particular facts. The employee involved in the conflict situation must work cooperatively with their manager to achieve a resolution of the conflict issues in the best interests of the foundation, as requested by the foundation. This may include the employee being removed from a position of decision-making authority with respect to the conflict situation or other more serious actions, depending upon the nature of the conflict. If the conflict involves a grant or a contract being entered into by the foundation, the due diligence review process must disclose the conflict and document the steps taken to address the conflict. A copy of this information must be provided to the Legal Team.

3. Gifts

As a general rule, foundation employees may not receive or offer any gift or anything else of significant value for the purpose of influencing the action of the foundation or of the recipient. Gifts (except those generally valued at \$100 or less) received from vendors, suppliers, consultants, and grantees as part of normal business practice must be declined or given to the foundation or shared with the foundation generally, and if acknowledgement is appropriate, acknowledged on behalf of the foundation. This guideline is not intended to prohibit normal business practices, such as meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote the foundation's legitimate business interests. If an employee believes there is an appropriate reason to make an exemption to this policy for an individual situation, he or she should contact the Legal Team prior to giving or accepting the gift.

4. Director's Fees, Honorariums, Expense Reimbursements, and other Similar Payments

Staff members are encouraged to undertake speaking engagements, serve on boards and write articles, provided the time for such activities does not interfere with the employee's foundation responsibilities. Director's fees, author's royalties, honorariums, and payments for published articles or speaking engagements should only be accepted, however if: (1) the materials prepared and all activities undertaken in connection with these activities are prepared or conducted on personal time, (2) the issues addressed are not related to the foundation's activities or mission, (3) foundation resources are not utilized, and (4) the organization making the payment is not a foundation grantee. If an employee believes an exceptional circumstance merits an exception to this policy, the employee should consult the Legal Team for advice and appropriate documentation. Travel costs and expenses incurred in connection with any activities that are not foundation related must be borne by the individual or the organization inviting the individual to participate in the activity and should not be paid or reimbursed by the foundation.

5. Accepting Compensated Work Outside the Foundation

In an effort to prevent potential conflicts, understand the scope and nature of the outside business commitments of foundation management, and ensure that such outside commitments do not infringe on work responsibilities required on behalf of the foundation, foundation employees who hold the position of Program Officer or higher or are otherwise at the level of manager may not conduct outside business or other activities for which they receive remuneration if it is related to their expertise as a foundation employee or the business of the foundation, without prior approval from the Director of their group, or, in the case of a Director, from the President. The Director and/or President must consult with the Legal Team before granting permission. In requesting permission, the employee should disclose the organization for which the work will be done, the nature of the work, the expected time commitment and remuneration to be received, as well as an evaluation of any potential conflicts of interest that could arise with the foundation as a result of the employee's engagement in such activity. All other foundation employees may accept compensated work outside the foundation provided that such work is performed solely on personal time, without the use of foundation resources, and provided that the time commitment required for such outside work does not impact the employee's ability to perform his or her work for the foundation.

6. Foundation Matching Gift Program

A foundation employee may request that the foundation make a grant in connection with the foundation's Employee Matching Gift Program to a charitable organization in which the employee or the employee's family is involved in management and/or decision making activities, provided that the grant funds are not earmarked to pay the salary of the foundation employee or their family member.

7. Political Activities

The foundation is strictly prohibited from engaging in electoral politics or lobbying activities. Foundation employees are free to engage in these types of political activities on a personal basis provided the activities do not conflict with their ability to carry out their foundation responsibilities or create confusion between positions or actions that are taken by them personally versus as a foundation representative. Before a foundation employee becomes actively involved in a political campaign or activity, the employee should discuss with the Legal Team appropriate actions to avoid or minimize the risk of the employee's personal actions being attributed to the foundation and also review any other unintended potential impacts such activity could have on the foundation. Individual political activities should only occur during off-duty hours, at the employee's own expense, and without use of the foundation's name, resources, facilities, or equipment. If an employee is asked to sign political advertisements or endorsements that include employment, a generic description should be used such as "foundation program officer" or "grant maker in education" rather than including the name of the foundation. Only the Co-Chairs of the foundation can authorize the taking of any position by the foundation on legislation, referenda, or the like.

8. Competing for Foundation Individual Scholarships, Fellowships, or Awards

Employees of the foundation and their family members may not compete for foundation supported scholarships, fellowships, or awards.

9. Conflict of Interest Questionnaire

Upon commencement of employment and annually thereafter, all employees must complete a "Conflict of Interest Questionnaire." Employees are also required to update the Conflict of Interest Questionnaire whenever there has been a change in the employee's affiliations. Employees must disclose all of their affiliations, as requested by the form, even if there is no current conflict of interest.

10. Interpretation

This policy cannot describe all conflicts of interest situations that may arise involving the foundation. Therefore, foundation employees must use good judgment to avoid any appearance of impropriety. Appropriate circumstances may also justify exceptions to the application of the policy. If you have any questions about this policy or its application, please err on the side of caution and transparency and seek advice from the Legal Team prior to entering into such transaction.

EXAMPLES OF CONFLICT OF INTEREST ACTIVITIES AND RELATIONSHIPS

The following activities illustrate types of potential or actual conflicts of interest that should be avoided and disclosed, as applicable, in accordance with this policy. The list is not all inclusive and is intended to provide guidance.

- *Self-benefit:* Using your position or relationship within the foundation to promote your own interests or those of your family, including using confidential or privileged information gained in the course of employment at the foundation for personal benefit or gain or for the personal gain or benefit of family members.
- *Influence peddling:* Soliciting benefits for yourself or your family from outside organizations in exchange for using your influence to advance the interests of that organization within the foundation.
- *Other business relationships and dealings:* Approving grants or contracts with organizations in which you or your family have a significant financial or other interest or relationship, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of the grants or contracts, or otherwise direct the foundation's business dealings with that business or entity.
- *Outside commitments:* Participating in social or political activities is not restricted as long as you participate as an individual and not as a representative of the foundation.
- *Property transactions:* Directly or indirectly leasing, renting, trading, or selling real or personal property to or from the foundation.
- *Use of the foundation property for personal advantage:* Using or taking foundation resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized non-foundation activities.
- *Recording or reporting false information:* Misrepresenting, withholding, or falsifying relevant information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.
- *Dealings with grantees:* Personally accepting anything of value from organizations or individuals that have grant proposals pending before the foundation or have received grants from the foundation (unless nominal – generally \$100 or less).

CONFLICTS OF INTEREST FAQ'S

INTRODUCTION

The foundation encourages its employees to serve as volunteers and engage in non-foundation activities. Situations may arise, however, where a conflict of interest arises because of an overlap between an employee's (or his/her family members') outside activities and the organizations to or with which the foundation makes grants or enters into contracts. This document provides practical answers to frequently asked questions regarding the application of the foundation's Conflict of Interest Policy. In the end, the foundation's effective management of conflicts relies on the exercise of good judgment and the integrity of its employees to protect the foundation's image and honor. Please contact the Legal Team if you have any questions regarding this document generally or any conflict-of-interest situation in particular.

1. UPDATING YOUR RESPONSES TO THE CONFLICT OF INTEREST QUESTIONNAIRE:

Q. *How frequently must I update my Conflict of Interest Questionnaire?*

A. *All foundation employees are required to complete a new foundation Conflict of Interest Questionnaires on an annual basis, by February 28th of each year. Annual certification helps the foundation ensure that all employees have reviewed and updated their Questionnaires and reminds employees of the importance of complying with our Conflict of Interest Policy. You will be sent a reminder in advance of the deadline when the updated Questionnaire is due. You are also required to update your Conflict of Interest Questionnaire whenever there has been a change in your affiliations. For example, if you completed the questionnaire in March but in July you became a board member or resigned from a board position with an organization, you should update your Questionnaire at the time this change occurs. This ensures that we have a current database when we conduct a due diligence search to confirm whether potential any conflicts exist.*

- You are required to complete a new Questionnaire annually, rather than simply updating your old Questionnaire because the Conflicts Database does not keep old versions on file; thus we would lose our historical record of potential conflict relationships in prior years if previous forms were simply updated.

2. PROCEDURES FOR CHECKING FOR CONFLICTS WHEN EVALUATING A GRANT PROPOSAL OR OTHER FOUNDATION THIRD PARTY RELATIONSHIP:

Q. *How do I check for conflicts of interest when evaluating a proposal from a grantee or when considering entering into an arrangement with a third party (i.e., an independent contractor)?*

A. *At the time a grant proposal or contract work order is submitted, one of the first steps that should be taken is to confirm whether the potential transaction could raise a conflicts of interest. On The Commons, under the heading "Tools/Research," there is a section entitled "Foundation Reporting." [Click on "[Conflicts of Interest Database.](#)"] Simply type in the name of the potential grantee or third party and the search will identify whether a*

foundation employee has reported a relationship with the entity that could potentially create a conflict of interest.

- Everyone in the foundation has access to the Conflicts Database and we encourage you to check to identify potential conflicts as early in the engagement process as possible. Grants managers will perform the conflicts check on grant proposals and contracts managers in the Legal Team will perform the conflicts check on contracts as part of finalizing the paperwork.

Q. *How do I document the fact that I checked the conflicts of interest database and that either no match occurred or, if there was a match, how the actual or potential conflict of interest was resolved or managed?*

A. *It is not sufficient merely to check the conflicts of interest database; the fact that it was checked, as well as the resolution of any issues identified as part of that search, must be discussed in the due diligence review.*

- The due diligence review process for both grants and contracts asks you to check whether there is a potential conflict of interest and to disclose any potential conflicts. This provides the person approving the grant or contract with all the information necessary to make his or her decision, and also provides a written record that the foundation properly identified and managed any actual or potential conflict issues.
- In many cases, the explanation could be as simple as the statement that “employee works in a different program area and is not involved in any decision making with respect to the proposed grant.”

3. STEPS THAT SHOULD BE TAKEN IF AN ACTUAL CONFLICT OF INTEREST EXISTS WITH RESPECT TO A FOUNDATION GRANT OR CONTRACT:

Q. *If an actual conflict of interest is identified in connection with a foundation grant or contract, what steps should be taken?*

A. *If an actual conflict of interest exists with respect to a foundation grant or contract, the Legal Team must be notified and the manager of the program area entering into the grant or contract will be responsible to manage the resolution of the conflict, unless the program manager is the person with the potential conflict, in which case, that person’s manager will be responsible.*

- The following factors should be taken into account when considering a grant or contract with an organization with which a foundation employee or family member has an affiliation that creates a conflict of interest:
 - Whether the amount of foundation support to the entity is material to the entity;
 - The nature of the relationship between the foundation employee or family member and the entity receiving the grant or contract, including whether the foundation employee or family member is a key officer of the entity receiving the grant or contract;

- Whether the foundation employee or family member is closely identified with the entity as its primary spokesperson or leader;
 - Whether the foundation employee is affiliated with the entity at the request of the foundation;
 - Whether the foundation supported or contracted with the organization prior to the time the foundation employee joined the foundation;
 - Whether there is another entity that could accomplish the same purposes of the proposed grant or contract; and
 - Other relevant facts based on the particular situation.
- The Legal Team will assist the person responsible in determining the best course of action to manage the conflict situation and apprise the President for that person's program area as appropriate.
 - If a decision is made to proceed with a grant to or enter into a contract with an organization where an actual conflict exists, the due diligence review process, must capture the conflict and document the steps that have been taken to address the conflict. Specifically:
 - The nature of the conflict of interest should be detailed; and
 - Actions taken to resolve or address the conflict of interest should be described.
 - The program area grant or contract manager should be included in the due diligence resolution process, and he or she will involve appropriate legal resources.

4. GENERAL VOLUNTEER ACTIVITIES:

Q. *I volunteer at an organization that might receive a grant from or enter into a contract with the foundation. Does this create a conflict of interest?*

A. *If you have decision-making authority at the foundation over the grant to or contract with the organization or if you are an officer or director of the potential grantee or third party contractor, a conflict of interest may exist. If you do not have decision-making authority at the foundation over the grant or contract, a volunteer relationship (other than an officer or director's position) with one of the foundation's grantees or third-party contractors typically does not represent the kind of significant interest that presents a conflict.*

- In any case, you should disclose your relationship with the other organization and any related facts to the foundation as required by our Conflict of Interest Policy and also follow the requirements of the other organization's Conflict of Interest Policy.

- If you have decision-making authority at the foundation over the grant or contract, you must recuse yourself from making decisions on behalf of the foundation with respect to the other organization and follow the procedures outlined the foundation's Conflict of Interest Policy.

5. OFFICER/BOARD POSITIONS:

Q. *I am (or a family member is) an officer/board member of an organization that has received, or might receive, a grant from the foundation. Is this a conflict of interest?*

A. *A potential conflict of interest arises if (i) you have decision-making authority at the foundation over whether a grant is made to an organization on whose board you serve (or a member of your family serves), (ii) you have (or a family member has) decision-making authority over how such funds are expended by the potential grantee and you manage the grant for the foundation, or (iii) you receive (or a family member receives) compensation from the organization because of your position as an officer or director of the organization.*

- You should disclose your position with the organization to the foundation as required by our Conflict of Interest Policy and also follow the requirements of the other organization's Conflict of Interest Policy.
- You should refrain from exercising decision-making authority with respect to the grant (both at the foundation and at the grantee) and also from assisting the grantee or potential grantee with preparing or submitting grant proposals to the foundation.
- In some cases where your family member is directly involved in managing the foundation's grant at the grantee organization, it also may be necessary to recuse yourself from managing the grant, even if someone else at the foundation approved the grant. If this is the case, please consult the Legal Team.

Q. *I am on an advisory board or a nonvoting board member of an actual or potential foundation grantee. Do I have to refrain from making decisions regarding a grant from the foundation?*

A. *If the advisory board's recommendations are not binding on the grantee's board of directors or you do not actually have the right to vote on decisions made by the organization's board, then it is unlikely that your relationship with the grantee creates an actual conflict of interest.*

- Nevertheless, you should be sensitive to whether there are any issues of appearance of conflict and not otherwise use your position to exercise undue influence (e.g., if the organization defers to you because you are its tie to substantial foundation grant funds). Your relationship with the other organization should be disclosed to the foundation and you should follow the requirements of the other organization's Conflict of Interest Policy.

Q. *I have been asked to serve as a board member of a foundation-sponsored organization as part of the performance of my employment responsibilities. Is there a conflict of interest?*

A. *This situation presents one of the most challenging sets of conflicts issues for the foundation. A conflict of interest can exist even though you serve on the board of a foundation-sponsored organization as part of your employment responsibilities at the foundation.*

- You should disclose your board position with the organization on the foundation's Conflicts Questionnaire as required by our Conflict of Interest Policy and also follow the requirements of the other organization's Conflict of Interest Policy.
- For the protection of the foundation employee, the foundation and the grantee, and as a matter of good corporate practice, board minutes should reflect a clear record of disclosure and explicit recusal (abstention from voting) by the foundation employee whenever matters on the agenda or under discussion present a conflict of interest between the other organization and the foundation.
- A foundation employee serving in this capacity should consciously think about his/her dual roles and which capacity he/she is acting when presented with decisions regarding foundation grants. As a foundation employee, you have certain duties to the foundation, including the obligation to refrain from disclosing, to a grantee or others, foundation confidential information learned in the course of your employment. As a board member, you owe fiduciary duties of care, loyalty and confidentiality to the grantee, which under law may supersede your duties to the foundation as an employee.
 - The duty of care requires a director to act in accordance with the best interests of the organization on whose board the director serves, irrespective of other entities with which the director is affiliated, or to which the director owes his or her board appointment. This duty calls upon a director to be informed and to exercise independent judgment when participating in the board's decisions and its oversight of the organization and its management.
 - The duty of loyalty primarily relates to conflicts of interest, corporate opportunity and confidentiality. The duty of loyalty requires that a director (i) be conscious of any potential conflicts of interest he or she may have, and (ii) act with candor and care in dealing with situations in which a conflict exists.
 - Confidentiality obligations require that information learned in the course of serving as a director be held in confidence and that board members refrain from disclosing information they receive in this capacity to the foundation or to others without the consent of the organization. You should check with the grantee or contractor regarding its confidentiality policy, and, as appropriate, refrain from disclosing confidential information to the foundation or to others, without prior approval.
 - It is important that these fiduciary duties be kept in mind even where you serve on the board of a foundation grantee primarily to ensure good stewardship of foundation grant funds and the accomplishment of foundation programmatic objectives.

- For example, if a foundation employee serving on the board of directors of a grantee becomes aware as a result of such position (versus through his/her role as a program officer) that the grantee is considering changing the manager of a project funded with foundation funds, it could be a breach of the individual's duties of loyalty and confidentiality to the grantee to inform the foundation of such change, without the grantee's prior consent.
- If it is not feasible for you to recuse yourself from participating as a board member of the grantee when decisions with respect to the foundation's grant to the organization are being made, you should document that your manager at the foundation has approved any final decisions with respect to the foundation's grant to the organization. The key is that you should not be in a decision-making position on both sides of the grant.
- Finally, the "safe harbors" under Federal tax laws that protect the foundation from being considered responsible for "[tipping](#)" a public charity include as a condition the requirement that the foundation not be "controlled directly or indirectly by the grantor." A grantee is "controlled" for purposes of these rules if by "aggregating votes or positions of authority, the foundation may require the grantee to perform any act which significantly affects its operations or may prevent the grantee from performing such act." Holding a minority of the grantee's board seats should typically not satisfy this test, however, where the foundation is the primary funder of the organization, sensitivity to this issue is important.

Q. *I am on the board of an organization (which may include a for-profit company) that does not conduct business with the foundation. Do I need to disclose the relationship as a potential conflict?*

A. *The foundation's Conflict of Interest Policy requires that employees disclose all of their board affiliations, even if there is no current conflict of interest.*

- It is important for the foundation to have this information as the foundation might engage with the organization in the future and we need a complete database to identify potential conflicts of interest as part of conducting due diligence.
- Note that time spent on board activity on behalf of for profit entities or otherwise not related to foundation business and our mission should be taken as personal, vacation days, and any travel and other related expenses should be paid for personally and not charged to the foundation.

6. FINANCIAL INTEREST:

Q. *I have (or a family member has) a financial interest, through ownership or investment, in an entity with which the foundation proposes to do business or to which it may make a grant. Does a conflict of interest exist?*

A. *Holding a financial interest in an organization does not necessarily create a conflict of interest. It will depend upon the facts and your role as a foundation employee in selecting the entity for the proposed transaction.*

- If the employee with the financial interest in the organization does not have a role in selecting or negotiating the terms of engagement or grant with the organization and an independent foundation manager determines that the transaction is fair, reasonable and in the best interests of the foundation, the foundation may proceed with the transaction in accordance with the steps outlined in Question 3 above. Potential appearance of conflict of interest issues should be taken into account in making this decision.
- In all cases, transactions with a for-profit organization in which a foundation employee has a financial interest will be scrutinized closely to ensure that no improper benefits will be derived by the employee as a result of the transaction.

Q. I (or a family member) own Berkshire Hathaway and/or Microsoft stock. Does a conflict of interest exist and do I need to disclose the ownership?

A. *Holding a financial interest in Berkshire Hathaway or Microsoft does not necessarily create a conflict of interest and there is no need to disclose this information.*

7. EMPLOYEE MATCHING CONTRIBUTIONS:

Q. I volunteer (or a family member volunteers) for a charitable organization. I make personal cash contributions to this organization and I would like to have my personal cash contributions matched under the foundation's Employee Matching Gift Program. Is this a conflict?

A. *If you are directing the foundation to make a grant of foundation funds to a charitable organization in which you are involved in management and/or decision making activities, this situation technically could fall within the description of a conflict of interest. However, because a primary purpose of the foundation's Employee Matching Gift Program is to provide direct financial support to charitable organizations to which foundation employees personally make economic contributions, the Conflict of Interest Policy provides an express exception permitting this type of grant to be made by the foundation.*

Q. A family member works for a charitable organization and receives a salary for his or her services. May I make a personal cash contribution to the organization that will be matched under the foundation's Employee Matching Gift Program if that contribution might pay for my relative's salary?

A. *You may make a contribution to the organization, but funds from the foundation Employee Matching Gift Program may not be earmarked to pay the salary of your family member.*

8. PARTICIPATION IN GRANTEE ORGANIZATION ACTIVITIES:

Q. I attend (or a family member attends) classes at a school that is foundation grantee. Is this a conflict?

A. *Probably not. Generally, it is not a conflict for a foundation employee or his or her family member to attend classes at a school that is a foundation grantee because this situation does not result in an overlap of decision-making authority or involve a financial interest*

that would present a conflict situation, provided that any indirect benefit to you or your family member is the same as for other students.

9. EMPLOYMENT SITUATIONS:

Q. *A member of my family works for an actual or potential foundation grantee, or for an organization that might conduct business with the foundation. Should I disclose this relationship and is any other action required?*

A. *Yes, written disclosure should be made to both the foundation and the other organization. Additionally, you should refrain from exercising any decision-making authority over the grant to or contract with the organization.*

Q. *A family member would like to obtain a position working with a foundation grantee. I do not manage any grants to the grantee but have contacts with the organization. May I contact them about interviewing or hiring the family member?*

A. *The family member may pursue the opportunity with the organization based upon the merits of his or her individual qualifications. The foundation employee should not intercede by requesting a “favor” because of the expectation this may create for future preferential treatment to the grantee in return. For these reasons, discretion and special care should be exercised in these situations.*

Q. *My former employer is an actual or potential foundation grantee, or an organization with which the foundation conducts business. Do I need to disclose the relationship?*

A. *Because you have severed your relationship with your former employer, this is not the type of situation that generally gives rise to a conflict of interest. However, particularly if the former employment relationship is recent (within the last year), you should be sensitive to the appearance of a conflict of interest which could arise if it is perceived that the grantee received a grant (or was awarded a contract) because of your prior employment relationship, especially if there is any question as to whether the grantee is qualified or the best choice on the merits.*

- Any obligations with respect to confidentiality that you owe to your former employer or that were agreed to in connection with your former employment will still continue to apply.
- In the due diligence review process, you should indicate whether the organization has a prior relationship with the foundation and whether you will be managing former colleagues in your role at the foundation. If that is the case, it may become necessary to recuse yourself from managing the contract or grant. Please contact the Legal Team to discuss whether that will be necessary.

10. **SCHOLARSHIPS:**

Q. A member of my family would like to apply for a scholarship through a program supported by a foundation grant (e.g., Washington State Achievers Scholarship Program administered by the Washington Education Foundation). Is this permitted?

A. No, the foundation's Conflict of Interest Policy expressly prohibits employees or their family members from competing for foundation scholarships, fellowships or other similar awards.

11. **HONORARIUMS:**

Q. I have been offered an honorarium in connection with undertaking a speaking engagement on a topic that relates to the scope of my activities at the foundation. I understand that the foundation's Conflict of Interest Policy does not allow me to accept the honorarium. May I direct the organization to pay the honorarium to a charity I select?

A. No, for tax and other policy reasons, it is the foundation's policy not to permit honorariums that cannot be accepted under its Conflict of Interest Policy to be directed to other recipients, including charitable organizations.

12. **FRIENDSHIP SITUATIONS:**

Q. My friend is on the board of a foundation grantee, or works for an actual or potential foundation grantee or third-party contractor. Is this a conflict?

A. This is not the type of situation that generally gives rise to a conflict. However, you should always be sensitive to the appearance of a conflict of interest which could arise if it is perceived that the grantee or contractor received a grant or was awarded a contract because of your relationship, especially if there is any question as to whether the grantee or contractor is qualified or the best choice on the merits.

13. **POLITICAL ACTIVITIES:**

Q. What type of political activities is an employee permitted to undertake on a personal basis?

A. Individual foundation employees are free to engage in the political process, as long as the activity is conducted on their own initiative, own time, and without the use of foundation funds and/or resources. You may contribute personal funds and time to a political campaign, but foundation funds and/or resources (e.g. foundation staff, telephones, blackberrys, cell phones, fax machines, copy machines, email systems, etc.) may not be donated to or used in connection with a political campaign. For example, if you receive an e-mail invitation at the foundation to contribute to a political campaign or attend a campaign related function you should delete the message and respond from a personal e-mail account. (We recognize that you cannot completely control what is sent to you at the foundation, but your response can be made without using foundation resources.) When you are speaking on behalf of the foundation at foundation-sponsored

events or preparing foundation documents, avoid making comments in support of or in opposition to a political candidate that could be interpreted as statements made on behalf of the foundation.

- Before becoming involved in a political campaign, please check with the Legal Team and your manager to make sure that your role at the foundation or other foundation activities will not overlap in such a way as to create confusion or an appearance of impropriety.

14. GIFTS AND MEALS

Q. When conducting a site visit or other meeting with a grantee or foundation vendor/consultant, the grantee/vendor offers to buy me a meal, or to give me tickets to attend a local event (such as a concert performance). Is it ok for me to accept the meal or tickets?

A. The conflicts of interest policy is not intended to prohibit the ordinary business practice of taking a client to lunch or dinner, or to prohibit you from accepting items of nominal value (generally, items valued at \$100 or less) offered to you in the normal course of conducting foundation business. In all cases, however, you should only accept these offers if it is clear that the grantee or vendor is not trying to improperly influence you to award them a grant or a contract.

Q. A consultant gave me a food basket and a new cell phone (that is clearly worth more than \$100) for the holidays. The consultant gave similar gifts to all its clients. Can I keep the items?

A. Holiday baskets are common gifts from consultants and vendors. Therefore, it would be appropriate for you to keep the basket unless it was clear that it had a value in excess of \$100. In contrast, the cell phone should be given to the foundation, which will acknowledge the gift and determine the best use for the item.