

Food Bank of Northern Nevada

Conflict of Interest Policy

Section 1: REASON FOR STATEMENT: The FBNN as a nonprofit, tax-exempt organization depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS, as well as state, corporate and tax officials, view the operations of FBNN as a public trust which is subject to scrutiny by and accountability to such governmental authorities, as well as to members of the public.

Consequently, there exists between FBNN and its Board, officers, and management employees a fiduciary duty which carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and management employees have the responsibility of administering the affairs of FBNN honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of FBNN. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with FBNN or knowledge gained therefrom for their personal benefit. The interests of the FBNN must have the first priority in all decisions and actions.

Section 2: PERSONS CONCERNED: This statement is directed not only to directors and officers, but to all employees who can influence the actions of FBNN. For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning FBNN.

Section 3: AREAS IN WHICH CONFLICT MAY ARISE: Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to FBNN.
2. Persons and firms from whom FBNN leases property and equipment.
3. Persons and firms with whom FBNN is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting FBNN.
6. Agencies, FBNNs, and associations which affect the operations of FBNN.
7. Family members, friends, and other employees.

Section 4: NATURE OF CONFLICTING INTEREST: A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with FBNN. Ownership of public companies is considered material only if the value of the investment exceeds 25% of the individual's annual adjusted gross income.
2. Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with FBNN.
3. Receiving remuneration for services with respect to individual transactions involving FBNN.
4. Using FBNN's time, personnel, equipment, supplies, or good will for other than FBNN approved activities, programs, and purposes.

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5. Receiving personal gifts or loans from third parties dealing with FBNN. Receipt of any gift is disapproved except gifts of nominal value which could not be refused without discourtesy. No personal gift of money should ever be accepted.

Section 5: INTERPRETATION OF THIS STATEMENT OF POLICY: The areas of conflicting interest in Section 3 and the relations in those areas which may give rise to conflict, as indicated in Section 4, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Board members, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in the Nature of Conflicting Interest Section exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of FBNN.

However, it is the policy of the Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of Board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Sections 6: DISCLOSURE POLICY AND PROCEDURE: Disclosure of a conflict, apparent or potential conflict must be made according to the FBNN standards. Transactions with related parties may be undertaken only if all of the following are observed:

1. A material transaction is fully disclosed in the audited financial statements of the FBNN;
2. The related party is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The FBNN's Board has acted upon and demonstrated that the transaction is in the best interest of the FBNN.

Disclosure involving the Staff should be made to the chief executive (or if she or he is the one with the conflict, then to the Board chair), who shall determine whether a conflict exists and is material, and if the matter is material, bring it to the attention of the Board chair.

Disclosure involving directors should be made to the Board chair, who shall bring these matters, if material to the Board.

The Board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to FBNN. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of FBNN and the advancement of its purpose.

Affirmation of board action adopting/amending this policy

Secretary