

EVFD, Inc. Board Conflict of Interest Policy And Annual Statement

Article I: Purpose

1. The purpose of this Board Conflict of Interest policy is to protect EVFD, Inc and EVFD's interests when it is contemplating entering into a financial transaction or arrangement that might benefit the private interests of a Board Member or Member of a Committee with Board Delegated Powers (hereafter referred to simply as a Board Member) of EVFD, Inc or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II: Definitions

1. Conflict of interest - An individual's obligation to further the organization's charitable purposes is at odds with their own financial interests.
2. Financial interest - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which EVFD has a transaction or arrangement.
 - b. A compensation arrangement with EVFD or with any entity or individual with which EVFD has a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which EVFD is negotiating a transaction or arrangement.
3. Independent Board member – A board member who meets these criteria:
 - a. The member wasn't compensated as an officer or other employee of the organization or a related organization.
 - b. The member didn't receive total compensation exceeding \$10,000 from the organization and related organizations as an independent contractor during the tax year. This excludes reasonable compensation for services provided as a board member.

- c. Neither the member nor any family member was involved in a transaction with the organization that must be reported on Schedule L, “Transactions with Interested Persons.”
 - d. Neither the member nor any family member was involved in a transaction with a taxable or tax-exempt related organization that must be reported on that organization’s Schedule L.
4. Interested Person – see definition of Interested Person in IRS 990 instructions, a portion of which are summarized here:
- a. A former director or key employee of EVFD within the past 5 tax years
 - b. The creator or founder of EVFD
 - c. A substantial contributor (contributions in excess of \$5000 in a single tax year)
5. Excess Benefit Transaction - any transaction in which an economic benefit is provided by EVFD or EVFD, Inc. directly or indirectly to or for the use of any Interested Person if the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received for providing such benefit.

Article III: Procedures

- 1. Duty to Disclose - In connection with any actual or possible conflict of interest, a Board Member must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board.
 - 2. Self Recusal - Any Board Member may recuse themselves at any time from involvement in any decision or discussion in which the Board Member believes they have or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
 - 3. Determining Whether a Conflict of Interest Exists – the Board Member who disclosed the potential conflict of interest shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
- 4. Procedures for Addressing the Conflict of Interest**
- a. After the recusal of the Board Member for discussion on a possible Conflict of Interest, the President of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- b. After exercising due diligence, the remainder of the Board shall determine whether EVFD can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably possible, the Board shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in EVFD Inc.'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.

5. Violations of the Conflicts of Interest Policy

- a. If the Board has reasonable cause to believe a board member has failed to disclose actual or possible conflicts of interest, it shall inform the board member of the basis for such belief and afford the board member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the board member's response and after making further investigation as warranted by the circumstances, if the Board determines the board 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 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 Board's decision as to whether a conflict of interest 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 of Board Members

- a. A member of the Board who receives compensation, directly or indirectly, from EVFD for services is precluded from voting on matters pertaining to that board member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from EVFD for services is precluded from voting on matters pertaining to that member's compensation.

- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from EVFD, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Annual Statements

1. Each Board Member shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy,
 - b. Has read and understands the policy,
 - c. Has agreed to comply with the policy, and
 - d. Understands that EVFD is a non-profit organization 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.
 - e. is or is not an independent board member.
2. If, at any time during the year, the information in the annual statement changes materially, the board member shall disclose such changes and revise the annual disclosure form.
3. The Board shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VII – Periodic Reviews

To ensure EVFD, Inc. 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 by the Board. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to EVFD, Inc.'s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or 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, EVFD, Inc. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Conflict of Interest policy adopted February 17, 2022

EVFD, Inc Director and Committee Member
Conflict of Interest Annual Statement

1. Name: _____
2. Position:
Are you a voting Director? **Yes No**
Are you an Officer? **Yes No**
If you are an Officer, which Officer position do you hold: _____
3. I affirm the following:
I have received a copy of the EVFD, Inc. Conflict of Interest Policy. _____ (initial)
I have read and understand the policy. _____ (initial)
I agree to comply with the policy. _____ (initial)
I understand that EVFD, Inc. is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____ (initial)
4. Disclosures:
 - a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with EVFD, Inc? **Yes No**
 - i. If yes, please describe it: _____
 - ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? **Yes No**
 - b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with EVFD, Inc.? **Yes No**
 - i. If yes, please describe it, including when (approximately): _____
 - ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? **Yes No**
5. Are you an independent director, as defined in the Conflict of Interest policy? **Yes No**
If you are not independent, why? _____

Signature of director

Date

Date of Review by Executive Committee: _____