



**RIPA LADRANG
FOUNDATION**

11270 Exposition Blvd Box 64887, Los Angeles CA 90064-9998

CONFLICT OF INTEREST POLICY

Ripa Ladrang Foundation

I. Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of the Ripa Ladrang Foundation (hereinafter the "Foundation") when it is considering a transaction or arrangement that might benefit the private interest of a member of its Governing Board, a principal officer, key manager, or a key volunteer of the Foundation, or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any Federal and state laws governing conflict of interest that apply to nonprofit and charitable organizations.

II. Definitions

- 1. Interested Person:** Any member of the Governing Board of the Foundation, principal officer, key management personnel, or key volunteer, who has a direct or indirect Financial Interest, as defined below, is an "Interested Person."
- 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 the Foundation has a transaction or arrangement;
 - b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial Interest is not necessarily a conflict of interest. Under Section III-2, a person who has a Financial Interest may have a conflict of interest only if the Governing Board of the Foundation decides that a conflict of interest exists.

III. Procedures

- 1. Duty to Disclose:** In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the members of the Governing Board of the Foundation considering the proposed transaction or arrangement.



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- 2. Determining Whether a Conflict of Interest Exists:** After the Interested Person discloses the Financial Interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Governing Board of the Foundation meeting. The remaining Governing Board of the Foundation members shall then discuss and vote upon whether a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

To address a possible conflict of interest:

- a. An Interested Person may make a presentation at the Governing Board of the Foundation meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chapter President (or insert appropriate title/individual) of the Governing Board of the Foundation shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Governing Board of the Foundation shall determine whether the Foundation 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Governing Board of the Foundation shall determine by a majority vote of the Governing Board of the Chapter, who are free of conflict, whether the transaction or arrangement is in the Chapter's best interest for its own benefit, and whether it is fair and reasonable. After the Governing Board of the Chapter has completed its analysis, it shall then make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy: The following procedures govern violations of this Policy:

- a. If the Governing Board of the Foundation has reasonable cause to believe an Interested Person has failed to disclose an actual or possible conflict of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Governing Board of the Foundation determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.



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IV. Records of Proceedings

The minutes of the Governing Board of the Foundation 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 Governing Board of the Foundation's decision as to whether a conflict of interest existed; and
- 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.

V. Compensation

A voting member of the Governing Board of the Foundation who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

VI. Annual Statements

Each Interested Person shall annually sign a Disclosure Statement, the form of which is attached as Exhibit A, to affirm that 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 the Foundation is engaging in charitable activities, is affiliated with the Ripa Ladrang Foundation, a tax-exempt charitable organization, and must engage exclusively in activities which accomplish one or more of Ripa Ladrang Foundation's tax-exempt purposes.

Exhibit List

Exhibit A: Example Conflict of Interest Annual Disclosure Statement



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Conflict of Interest Annual Disclosure Statement

The standard of behavior at the Ripa Ladrang Foundation is that all volunteers and board members scrupulously avoid any conflict of interest between the interests of the Ripa Ladrang Foundation on one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as perceptions of conflicts of interest.

I understand that the purposes of this policy are: to protect the integrity of the Ripa Ladrang Foundation's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputation of volunteers and board members.

Upon or before election or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

In the course of meetings or activities, I will disclose any interests in a transaction or decision where I (including my business or other nonprofit affiliation), my family and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I understand that this policy is meant to be a supplement to good judgment, and I will respect its spirit as well as its wording.

Signed: * _____

Date: _____

* Note: This policy is signed annually by all directors