

## **FRIENDS OF ALBERT EINSTEIN ACADEMIES**

### **Conflict-Of-Interest Policy For Trustees And Officers**

The purpose of this conflict-of-interest policy is to prevent the institutional or personal interests of Friends of AEA's board members, officers, and staff from interfering with the performance of their duties to Friends of AEA, and to ensure that there is no personal, professional, or political gain at the expense of Friends of AEA. This policy is not designed to eliminate relationships and activities that may create a duality of interest, but to require the disclosure of any conflicts of interest and the recusal of any interested party in a decision relating thereto.

A conflict of interest is present whenever a trustee or officer of Friends of AEA has a financial interest in a proposed transaction or is a director or officer of the other entity to the proposed transaction. Such transactions may include services provided by the foundation to grantees, grants given to charitable organizations on which the trustee or officer also serves as an officer or director, purchase of services and/or tangibles from a vendor, and/or access to specialized or privileged information that can be used for personal gain.

The state of California nonprofit corporation law provides that transactions between (i) a nonprofit organization such as Friends of AEA and (ii) any other corporation, partnership, association, or other organization in which one or more of the nonprofit organization's directors or officers are directors or officers, or have a financial interest, while not prohibited outright, are nonetheless subject to question. Such transactions may be void or voidable unless a good-faith disclosure of any such interest is made to the nonprofit organization prior to the nonprofit organization's entry into the transaction. It is also possible that directors and officers who fail to comply with the requirements of this law may incur liability to the extent the nonprofit organization is damaged.

Therefore, in accordance with this law, Friends of AEA requires its trustees and officers to disclose all interests that they or a family member has in other for-profit or nonprofit entities where it is foreseeable that the foundation may enter into a contract or award a grant or have other business or financial dealings with the entity. This shall include, but not be limited to, financial interests, officerships, directorships, and other similar substantial interests in any such entities.

Trustees and officers of Friends of AEA are asked to maintain independence, objectivity *and confidentiality* and to do what a sense of fairness, ethics, and personal integrity dictate even though not necessarily obligated to do so by law, regulation, or custom. Trustees and officers serving on the executive committee shall refrain from voting on a proposed grant if they are in a conflict-of-interest situation and, if appropriate, shall withdraw from the meeting.

In order to avoid even the appearance of a conflict of interest that might embarrass the board or the foundation, trustees and officers must disclose any actual or possible conflicts, and the nature thereof, to the board chair and to the chief executive of the foundation annually, or as such situations may arise.

Adopted: February 25, 2009, reaffirmed: December 19, 2013

**FRIENDS OF ALBERT EINSTEIN ACADEMIES**  
**Conflict-Of-Interest Acknowledgment**

**FOR THE PERIOD: \_\_\_\_\_ TO \_\_\_\_\_**

I have read and understand Friends of AEA's policy on conflict of interest. As part of Friends of AEA, I understand that this policy on conflict of interest applies to me.

I understand that I am expected to conduct business in accordance with the letter, spirit, and intent of all relevant conflict-of-interest laws and the conflict-of-interest policy and to refrain from any illegal, dishonest, or unethical conduct. I understand that if a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with the board and/or with the chair or his or her designee for advice and consultation. Furthermore, I understand that this document can be amended at any time.

In compliance with the foundation's conflict-of-interest policy, the positions that I or an immediate family member hold within the community are as follows:

Business and professional activities in which I or an immediate family member hold as an owner, officer, board member, partner, employee, or other beneficiary position as of : \_\_\_\_\_

Name of Business/Organization

Position Held/By Whom

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Other not-for-profit organizations with which I or a family member is associated and which might reasonably expect to apply for a grant from XYZ:

Name of Organization

Position Held/By Whom

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Other activities that may produce a possible conflict of interest:

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In addition, I recognize the need to maintain confidentiality regarding information I might receive as a trustee or officer regarding donors, donations, fundraising and grantmaking activities of Friends of AEA.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Board Position

\_\_\_\_\_  
Date