

**CONFLICTS OF INTEREST POLICY
OF
THE UNITED WAY OF GREATER GREENSBORO, INC.**

ARTICLE I

Purpose

The purpose of the Conflicts of Interest Policy is to protect the Corporation's interest when the Corporation is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or committee member of the Corporation. This policy, adopted by the Board of Directors of the Corporation, is intended to supplement but not replace any applicable laws or regulations of the State of North Carolina governing conflicts of interest applicable to nonprofit and charitable corporations. This policy acknowledges and is intended to promote compliance with the duty of loyalty that each director and officer owes to the Corporation. This policy is intended to assure full disclosure of conflicts of interest by requiring directors, officers and committee members to make known to the Board or to committees on which they serve circumstances that meet the definition of an "Interest" as set forth below. Of necessity, this policy is general in nature; accordingly, it is incumbent upon each officer, director and committee member, in applying these principles in specific circumstances, to avoid even the appearance of impropriety.

ARTICLE II

Definitions

For purposes of this conflicts of interest policy, the following definitions and rules of construction shall apply:

1. "Interested Person" shall mean a director, principal officer, or committee member, who has a direct or indirect Interest in a proposed transaction or arrangement.
2. An "Interest" exists if an Interested Person:
 - a. has, directly or indirectly, through business, investment or family, an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - b. has, directly or indirectly, through business, investment or family, a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement;
 - c. has, directly or indirectly, through business, investment or family, a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating, or any entity or individual with respect to which the Board or a committee is considering, a transaction or arrangement; or

- d. is a director, officer, or trustee of another entity that is a party to the transaction or arrangement.
3. Compensation includes direct and indirect remuneration and gifts or favors which are substantial in nature, but shall not include gifts of less than Fifty Dollars (\$50.00) in value.
4. An Interested Person who has an Interest with respect to one or more parent, sister, or subsidiary entities of the Corporation shall be deemed to have an Interest in the Corporation.

ARTICLE III

Procedures

1. An Interested Person shall disclose the existence and nature of his or her Interest, and shall be given the opportunity to disclose all material facts with regard to such Interest, to the directors and members of committees considering the proposed transaction or arrangement.
2. Subject to the provisions of Paragraph 3, below, after disclosure of the Interest and all material facts relating to the Interest,
 - a. The Interested Person shall leave the meeting during the deliberations concerning, and the vote upon, the transaction or arrangement.
 - b. The chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or committee shall determine whether the Corporation can, with reasonable efforts, obtain a more advantageous transaction or arrangement with 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 attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine, by a majority vote of the disinterested directors or committee members present at a meeting, whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction or arrangement is fair and reasonable to the Corporation.
3. It is acknowledged that, as a funding agency serving an entire community, the Corporation wants to be able to recruit for service on its Board of Directors individuals who have a wealth of experience with philanthropic initiatives and community service organizations, and that, very often, such individuals currently serve as members of the governing bodies of some agencies that are funded by the Corporation. If such individuals were precluded from serving on the Board of Directors of the Corporation, or if such individuals could serve on the Board but were precluded from acting in connection with some of the most important decisions made by the Board, the Corporation would be weakened. At the same time, it is recognized that the public confidence in the Corporation's actions will be eroded to the extent that

directors of the Corporation are permitted to participate in funding decisions with regard to specific organizations with which such directors have an affiliation, even an uncompensated affiliation. Accordingly, the Corporation has adopted the following special procedures governing decisions by the Board of Directors with respect to the funding of one or more organizations or one or more programs where the director has an Interest in the decision solely by virtue of Section 2.d. of Article II, above (hereinafter, a “Section 2.d. Interest”)

- a. When the motion is for the adoption of a recommendation contemplating the funding of multiple agencies, an individual having a Section 2.d. Interest in one of the agencies or in any agency that is directly competing with one or more of the agencies for funding may participate in the deliberations on the motion as a whole and may participate in voting on the motion. To the extent that the deliberations of such a motion focus on a specific agency, an individual having a Section 2.d. Interest in that agency or in any agency that is directly competing with that agency for funding shall not participate in the deliberations, but shall not thereby be disqualified from participating in the vote on such a motion.
- b. When the motion is to fund or not to fund a single agency, an individual having a Section 2.d. Interest with respect to that agency or with respect to any agency that is directly competing with that agency for funding shall not participate in the deliberations and shall not participate in the vote on such motion.

The provisions of this Paragraph 3 shall apply only in those circumstances in which the director having a Section 2.d. Interest does not also have an Interest in the proposed action by virtue of having a compensation arrangement with or other personal financial interest in any of the organizations the funding of which is being considered.

No individual shall agree to serve on a committee that such individual knows or has reason to believe will be involved in decision-making with regard to, or the formulation of recommendations with regard to, an organization with respect to which such individual has an Interest.

ARTICLE IV **Records of Proceedings**

The minutes of meetings of the Board of Directors and all committees acting with the authority of the Board of Directors shall include:

1. The names of all persons who have disclosed or otherwise were found to have Interests, the nature of the Interest, and material facts disclosed with regard to the Interest; and
2. The names of the persons who were present at the meeting for discussions and votes relating to the transaction or arrangement, the content of these discussions

(including any alternatives to the proposed transaction or arrangement), and a record of the vote.

ARTICLE V

Compensation Matters

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

ARTICLE VI

Annual Statements

Each director, principal officer and committee member shall, upon commencement of his or her employment or term of office, and annually thereafter, sign a statement, in the form attached hereto as Appendix A, certifying that the person:

1. received a copy of the conflicts of interest policy;
2. has read and understands the policy;
3. agrees to comply with the policy; and
4. understands that the Corporation is a charitable organization and that in order to maintain its tax-exempt status, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VII

Periodic Reviews

The Corporation shall conduct periodic reviews of its activities to ensure that it is operating in a manner consistent with its charitable purposes and that it is not engaging in activities that could jeopardize its status as an organization exempt from federal income tax. In conducting such reviews, the Corporation shall evaluate the following:

1. Whether the Corporation's compensation arrangements and benefits are reasonable and the result of arm's length negotiations; and
2. Whether contractual arrangements with providers of goods or services conform to written policies, are properly recorded, reflect reasonable payments for goods or

services, further charitable purposes, and do not result in private inurement or impermissible private benefit

In conducting its periodic reviews, the Board of Directors may in its discretion engage outside advisors, but the Board of Directors shall at all times retain responsibility for ensuring that periodic reviews are conducted.

ARTICLE VIII

Violations of Conflicts of Interest Policy

If anyone has reasonable cause to believe that a member of the Board of Directors or of a committee has failed to disclose an Interest, he or she shall inform the Chair of the Board or the chair of such committee of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted under the circumstances, the Board of Directors or committee determines that the member has in fact failed to disclose an Interest, it shall take appropriate disciplinary and corrective action.

ACKNOWLEDGMENT AND DISCLOSURE STATEMENT

The undersigned person, who has been appointed or elected to serve The United Way of Greater Greensboro, Inc. (the “Corporation”) in the capacity reflected below, hereby confirms that the undersigned has read and does understand the Corporation’s Conflicts of Interest Policy and has received a copy of such Policy for present and future reference.

The undersigned agrees to take appropriate action with respect thereto, including initiative in disclosing activities, interests or relationships wherever an actual or potential conflict of interest may exist, and to otherwise comply in all respects with the Conflicts of Interest Policy.

The undersigned further acknowledges and confirms that the Corporation is a charitable organization, and that in order to maintain its tax-exempt status it must engage primarily in activities that accomplish one or more of its tax-exempt purposes, which purposes are listed in the Corporation’s Articles of Incorporation.

Consistent with the foregoing, the undersigned makes the following disclosure of any and all Interests as defined in the Conflicts of Interest Policy, in accordance with applicable reporting responsibilities (if none, please write “NONE”):

Name: _____

Position: _____

Signature: _____

Date: _____