Whole Life Farm Arts & Music Foundation

SECTION 3 - CONFLICT OF INTEREST POLICY

Policy & Governance Handbook

Draft for Board Review and Adoption

Purpose: This policy protects the Foundation when it is considering a transaction, arrangement, decision, or relationship that could benefit the private interests of a director, officer, key person, or other individual with influence over Foundation decisions. It supplements, but does not replace, applicable law or the Foundation's governing documents.

1. POLICY STATEMENT

The Foundation expects directors, officers, committee members with delegated authority, and other persons who materially influence Foundation decisions to act in the best interests of the Foundation. Personal, family, professional, or financial interests must not improperly influence Foundation decisions.

2. INTERESTED PERSON

An "interested person" is a director, officer, member of a committee with Board-delegated powers, or other person with substantial influence over the Foundation who has a direct or indirect financial, personal, family, or organizational interest that could reasonably affect—or appear to affect—independent judgment on a Foundation matter.

3. FINANCIAL INTEREST

A person may have a financial interest when the person, directly or indirectly through business, investment, compensation, or a family or household relationship, has an ownership or investment interest in an entity doing business with the Foundation; has a compensation arrangement with the Foundation or with an entity or individual doing business with the Foundation; or may receive a financial benefit from a transaction being considered by the Foundation. A financial interest does not automatically mean that a conflict exists; the disinterested decision-makers determine whether a conflict exists.

4. OTHER CONFLICTS

Conflicts are not limited to money. A conflict may arise from close family relationships, employment, outside nonprofit service, business relationships, use of Foundation opportunities or property, competing loyalties, or other circumstances in which personal interests could interfere with objective decision-making.

5. DUTY TO DISCLOSE

An interested person must promptly disclose the existence and material facts of an actual, potential, or perceived conflict before the Board or committee discusses or acts on the matter. When uncertain, the person should disclose the relationship so that disinterested directors can determine the appropriate procedure.

6. DETERMINING WHETHER A CONFLICT EXISTS

After disclosure of the relevant facts, the interested person may answer factual questions if requested but should leave the discussion when the disinterested directors deliberate about whether a conflict exists. The remaining disinterested directors shall determine whether the circumstances constitute a conflict requiring recusal or other safeguards.

7. PROCEDURES FOR ADDRESSING A CONFLICT

If a conflict exists, the interested person shall not vote on the matter and shall not attempt to improperly influence the decision. When appropriate, the Board or committee should consider reasonable alternatives, comparable arrangements, market information, or other evidence demonstrating that the proposed transaction is fair, reasonable, and in the Foundation's best interests. Approval should be made by disinterested directors in accordance with the Bylaws and applicable law.

8. RELATED-PARTY SERVICES AND TRANSACTIONS

A director, officer, founder, family member, or related business is not automatically prohibited from providing goods, facilities, artistic services, teaching, administrative services, professional services, or other legitimate services to the Foundation. However, any related-party arrangement must further the Foundation's interests, be reasonable in amount and terms, be fully disclosed, and be approved through an appropriately independent process. The interested person shall not vote on approval of the arrangement when recusal is required.

9. COMPENSATION

A person who receives compensation from the Foundation for services shall not participate in a vote concerning that person's compensation. The Board should use appropriate comparability information when setting significant compensation and should document the basis for its decision. Compensation must be reasonable for the services provided and may not constitute an improper private benefit.

10. GIFTS, BENEFITS, AND OPPORTUNITIES

Directors, officers, and persons acting on behalf of the Foundation should not accept substantial personal gifts, favors, discounts, commissions, or other benefits when doing so could influence—or reasonably appear to influence—a Foundation decision. Opportunities discovered through Foundation service should not be diverted for personal benefit when the opportunity properly belongs to the Foundation.

11. FAMILY AND HOUSEHOLD RELATIONSHIPS

Relationships between directors, officers, employees, contractors, or vendors should be disclosed when they could affect a Foundation decision. Family or household relationships do not by themselves prohibit service or transactions, but decisions involving related persons require particular care, independent review, documentation, and recusal when appropriate.

12. MINUTES AND DOCUMENTATION

The minutes of the Board or committee shall identify the nature of a disclosed conflict, the person making the disclosure, whether the person left the discussion or abstained, the names of persons participating in the decision, alternatives or comparability information considered when relevant, and the final vote or action. Documentation should be sufficient to demonstrate that the Foundation used a fair and independent process.

13. FAILURE TO DISCLOSE

If the Board has reasonable cause to believe that a person failed to disclose an actual or potential conflict, it shall inform the person of the concern and provide an opportunity to explain. If the Board determines that the person failed to make a required disclosure, it may take appropriate corrective action consistent with the Bylaws, other Foundation policies, and applicable law.

14. ANNUAL DISCLOSURE

Each director and officer should complete and sign a conflict-of-interest disclosure at least annually. The disclosure should identify relevant financial interests, family or household relationships, business relationships, outside board service, compensation arrangements, or other interests that could reasonably create conflicts with Foundation responsibilities.

15. PERIODIC REVIEW

The Board shall periodically review related-party transactions, compensation arrangements, and conflict procedures to help ensure that the Foundation operates consistently with its charitable purposes and does not provide impermissible private benefit.

16. CONFIDENTIALITY AND NON-RETALIATION

Conflict disclosures shall be handled with appropriate discretion and shared only as necessary for governance, legal, financial, or compliance purposes. No person should be retaliated against for making a good-faith disclosure or raising a good-faith concern about a potential conflict.

17. ADOPTION

This Conflict of Interest Policy becomes effective when approved by the Board of Directors and remains in effect until amended or replaced by the Board.

ANNUAL CONFLICT OF INTEREST DISCLOSURE

I have received and reviewed the Foundation’s Conflict of Interest Policy. To the best of my knowledge, I have disclosed below any relationships, interests, positions, transactions, or circumstances that could create an actual, potential, or perceived conflict with my duties to the Foundation.

Name:	_____
Board/Officer Role:	_____
Relevant interests or relationships:	
	_____
	_____
	_____
If none:	■ I am not aware of any conflicts requiring disclosure at this time.
Signature:	_____ Date: _____

BOARD ADOPTION RECORD

Date adopted:	_____
President:	_____

Secretary:	_____
Board vote:	_____ in favor _____ opposed _____ abstained

Document status: DRAFT - not effective until formally adopted by the Board of Directors.