

## Methodist Foundation of Mississippi, Inc.

### Board Member Statement of Understanding And Conflict of Interest Policy

#### Statement of Understanding

Your willingness to serve as a member of the Board of Directors is appreciated by Methodist Foundation of Mississippi, Inc. Participation as a board member comes with certain duties and responsibilities. This statement summarizes our commitment to you as staff and your commitment to the three legal duties of care, obedience, and loyalty.

#### Our Commitment to You:

- Availability of staff as needed for proper operation of the board
- Ample notice of meetings
- Minutes of all meetings
- Relevant information to conduct your job as a board member
- To the extent allowed by law, indemnification from liability for a board member's reasonable and necessary actions
- D&O insurance liability coverage
- Respect for your time
- Use of your talent effectively

#### Your Commitment to The Foundation:

- Pray for the Foundation and its work
- Share the ministry of the Foundation with your local church, your circle of influence and in your district
- Invest financially in the Foundation through a gift, an endowment, a donor advised fund or a memorial or honor gift
- Attend as many board and committee meetings as practicable, and participate in all such meetings, using fair, independent judgment and due care in conducting the business of The Foundation
- Avoid all conflicts of interest with The Foundation (see Conflict of Interest Policy following)
- Keep all Foundation matters confidential
- When representing the Foundation, please focus on our common message of supporting Methodist Ministry in Mississippi

#### Conflict of Interest Policy

This conflict of interest policy is designed to ensure that voting members of the governing board, officers, and employees of Methodist Foundation of Mississippi, Inc. (The Foundation) identify situations that present possible conflicts of interest and to provide appropriate procedures, if a possible conflict of interest arises. It also is intended to ensure that decisions are not influenced

by any private profit or other personal benefit to the individuals affiliated with The Foundation who participate in such decisions.

### Conflict of Interest

A conflict of interest arises when a person in a position of authority over an organization, such as a voting member of the governing board, officer, or employee may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. For this purpose, a conflict of interest does not include questions involving a person's competing or respective duties that do not involve material interest or benefit to a related party. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Committee decides that a conflict of interest exists.

Family of an individual includes his or her spouse, ancestors, brothers and sisters, and lineal descendants.

### Annual Disclosure

All Board members and employees shall review and sign a copy of the Conflict of Interest Policy annually. Written record of any possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the Executive Director or where applicable the Board Chair.

### Procedures

#### **1. Duty to Disclose**

In connection with any actual or possible conflicts of interest a person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Executive Committee.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the actual or possible financial interest and all material facts to the Executive Committee a determination of a conflict of interest will be discussed and voted upon.

#### **3. Procedures for Addressing the Conflict of Interest**

- a) An interested person may make a presentation at the Executive Committee meeting, but after the presentation, he/she shall leave the meeting.
- b) The chairperson of the Executive 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 Executive Committee 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 Executive Committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Foundation'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.

#### **4. Violations of the Conflicts of Interest Policy**

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

**Annual Reviews**

To ensure that The Foundation operates in a manner consistent with its status as an organization exempt from federal income tax, the governing board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

**Statement of Understanding**

I have read and understand The Foundation's policy on conflict of interest and agree to abide by its terms.

**Potential Conflict of Interest Disclosure:**

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Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_