

CALIFORNIA COMMUNITY FOUNDATION
CONFLICT OF INTEREST POLICY

WHEREAS, California Community Foundation's (the "Foundation") Board of Directors (the "Board") desires to follow a policy of avoiding any conflict of interest or the appearance of any conflict of interest on the part of the members of the Board in the consideration of making grants and any other financial transactions; and

WHEREAS, it is desirable that the Board adopts a conflict of interest policy and establishes appropriate procedures to implement that policy;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the following conflict of interest policy (the "Policy") with respect to the consideration of any grants and other financial transactions to or with organizations affiliated with members of the Board and members of their immediate families (defined to include a Board member's (a) spouse, (b) parents, grandparents, children and grandchildren (and their spouses) and (c) siblings (and their spouses):

1. Any member of the Board and members of their immediate families who serve as a trustee, member, director, officer or employee of any organization that is eligible to apply for a grant from the Foundation (hereafter referred to as a "Grantee Organization"), shall be an "Interested Party" with respect to that Grantee Organization.
2. Any member of the Board and members of their immediate families who (a) serve as a trustee, general partner, director, officer or employee of any organization that has or may enter into any financial transaction with the Foundation (hereafter referred to as "Transaction Partner") or (b) hold more than 5 percent of the voting power, profits interest or beneficial interest in a Transaction Partner, shall be an "Interested Party" with respect to that Transaction Partner.
3. All Interested Parties shall disclose in writing annually his or her relationship with any Grantee Organization or Transaction Partner.
4. With respect to any proposed grant to any Grantee Organization, or proposed transaction with any Transaction Partner, by the Foundation, an

Interested Party shall be disclosed and shall abstain from advocating or negotiating the terms and conditions of any proposed grant to the Grantee Organization or proposed transaction with the Transaction Partner. The Interested Party may, at the request of any member of the Board, answer questions and provide information about the Grantee Organization or Transaction Partner.

5. With respect to any proposed grant to any Grantee Organization or proposed transaction with any Transaction Partner, by the Foundation, an Interested Party shall abstain from voting on the proposed grant or transaction. This abstention shall be recorded in the minutes of the meeting. In any situation in which a majority of the Board members present would be disqualified because of the Policy, the Board, after full disclosure of the potential conflict, may, by a majority affirmative vote, suspend the Policy and proceed to make the grant or approve the transaction. All discussion and action with respect to actual or potential conflicts of interest shall be duly entered into the minutes of meeting where such an action takes place.
6. No member of the Board shall use for his or her personal gain or disclose outside the Foundation any confidential information obtained through his or her association with the Foundation.
7. In no event shall any Interested Party enter into a transaction with the Foundation which would constitute an excess benefit transaction as defined under Section 4958 of the Internal Revenue Code of 1986, as amended (the "Code"). Section 4958 of the Code imposes excise taxes (referred to as "intermediate sanctions") on transactions between a public charity (such as the Foundation) and its insiders (referred to as "disqualified persons") that provide financial benefit to the disqualified persons in excess of fair market value. All persons who enter into an excess benefit transaction or who otherwise violate the Policy may be

subject to discipline up to and including discharge from his or her position with the Foundation.

8. All members of the Board shall act in good faith and use their best judgment to bring to the attention of the President of the Foundation any conflict of interest, real or perceived, between them and the Foundation; *provided, however*, nothing in the Policy is intended to characterize a relationship or involvement as a conflict of interest or as unethical conduct on the part of any member of the Board if such person has no actual knowledge of such relationship or involvement.

RESOLVED FURTHER, that once a year, for the purpose of carrying out the Policy, the President of the Foundation is hereby authorized and directed to cause to be prepared and distributed to all members of the Board a questionnaire about organizations with which each such person may be affiliated; and further, that the President shall be responsible, on the basis of information from such questionnaires, for indicating any such affiliation to any Board member at any time that such an organization is considered for a possible grant or transaction. Finally, the President shall have each Board member read the Policy and sign a statement signifying his or her understanding of and commitment to the full implementation of the Policy.

I HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of California Community Foundation at its meeting on June 17, 2009, and that said resolution has not been revoked and is still in full force and effect.

Antonia Hernández
President
California Community Foundation

b. You are transacting business with an interested person, directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the tax year. Indirect transactions are transactions with an organization with which the interested person is associated as a trustee, director, officer, key employee, or greater-than-35% owner.

Please note the following exceptions:

- Transactions that occurred in the ordinary course of business at fair market value rates do not count for this analysis. In other words, consider only transactions where one interested person provided goods, services, etc., to another interested person at a rate below fair market value.

- Do not report the following “privileged relationships”: (i) attorney/client, (ii) medical professional/patient and (iii) clergy/communicant.

c. You and an interested person are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity.

Print Name

Signature

Date