

Conflict of Interest Policy

ARTICLE I.

PURPOSE

The Friends of the James River Park (FOJRP) Board of Directors are volunteers giving of their time and talent for a term set forth by our Bylaws. During that term of service, Board members have certain fiduciary duties to FOJRP, including duty of care and duty of loyalty. FOJRP's Conflict of Interest Policy reinforces these duties by creating a framework for reporting potential and actual conflicts to ensure this tax-exempt organization's (the "Organization") interests are served above individual interests.

This Conflict of Interest Policy also protects the integrity of the Organization's decision-making process and the integrity and reputations of volunteers, staff, and board members.

Conflicts may be potential or actual and must be disclosed when the Organization is contemplating a decision or arrangement that might benefit the private interest of an officer or director of the Organization or another organization to which the officer or director has a relationship. Officers and directors of tax-exempt nonprofit organizations must declare conflicts that might result in a possible excess benefit transaction.

Other conflicts can arise and must be disclosed as a result of interests, relationships, or roles of an officer or director of the Organization that may provide a benefit or gain to one of these interests, relationships, or organizations or that could be a potential conflict.

This Policy sets forth procedures where written disclosures of any such potential or actual conflicts shall be kept on file by the Organization and updated at regular intervals. It also sets forth procedures for verbal disclosures of potential conflicts to be made prior to discussing related agenda items to allow the person chairing a meeting to address the potential conflict using procedures provided in this policy.

This Policy is a written representation of the Organization's commitment to transparency. As such, it is a supplement to good judgement and those agreeing to abide by this policy will respect its spirit as well as its wording. This Policy is intended to supplement but not replace any applicable state/provincial or federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II.

DEFINITIONS

- 1. Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers (referred to herein as a "participant"), who has direct or indirect financial interest or other interest that could be construed as a conflict, as defined below, is an interested person.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- (b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction arrangement; or
- (c) A potential or actual ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transacting or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Excess Benefit Transaction. An excess benefit is a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of a person with substantial influence over the affairs of the tax-exempt organization, and the value of the economic benefit provided by the organization exceeds the value of the consideration received by the organization. Such a transaction can occur in an exchange of compensation and other compensatory benefits in return for services or in an exchange of property.

4. Other Interests. Other interests or relationships that may constitute a conflict of interest include but are not limited to:

- (a) Personal or family relationships;
- (b) Participation on the Boards or Advisory Councils of organizations, such as potential competitors, that could result in conflicting duties to each of the organizations.

ARTICLE III.

PROCEDURES

1. Duty to Disclose. In connection with any potential or actual conflict of interest, an interested person must disclose the existence of the financial or other potential or actual conflict of interest and be given the opportunity to disclose all material facts to the directors and participants of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining whether a Conflict of Interest Exists. After disclosure of the potential or actual conflict of interest and all material facts, and after any discussion with the interested person, the interested person shall leave the governing board or committee meeting if asked to do so

while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee participants shall decide if a conflict of interest exists.

3. Annual Conflict of Interest Reporting. Directors will disclose at a minimum annually potential or actual conflicts of interest during reporting periods requested by the Organization or as needed as an individual's status requires an update to the disclosure. The Organization has a predetermined way to disclose these conflicts as needed through annual reporting using disclosure forms provided by the Organization or through reporting to Chairs of governing bodies in writing, such as on a roster or other written disclosure. Participants should review all agendas prior to meetings and remind the Chair of the meeting of a disclosed potential or actual conflict prior to a discussion starting on the topic where a conflict exists to ensure that procedures outlined in Section 4 may be followed.

4. Procedures for Addressing the Conflicts of Interest on Proposed Transactions or other Decision Making.

- (a) After a determination that a potential or actual conflict of interest exists, an interested person may make a presentation at the governing board or committee meeting, but after the presentation, the interested person shall leave the meeting if asked to do so during the discussion of, and the vote on, any transaction or arrangement involving FOJRP and the possible conflict of interest. If the conflict involves a financial transaction, the interested person is required to leave the meeting.
- (b) The Chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction agreement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the Organization 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization'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.
- (e) If allowed to remain in the meeting during a vote where a non-financial conflict of interest has been declared, the interested person will recuse herself or himself from voting through verbal declaration and/or ask the Chair to call for abstentions.

5. Violations of the Conflicts of Interest Policy.

- (a) If the governing board or committee has reasonable cause to believe a participant has failed to disclose potential or actual conflicts of interest, it shall inform the participant of the basis for such belief and afford the participant an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the participant's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the participant has failed to disclose a potential or actual conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV.

RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial or other interest in connection with a potential or actual conflict of interest, the nature of the conflict, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
- (c) The names of any interested person that recused or abstained during votes if allowed to remain in the meeting.

ARTICLE V.

COMPENSATION

- (a) A voting participant of the governing board who receives compensation directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that participant's compensation and must recuse, abstain, or take other action in accordance with this policy.
- (b) A voting participant of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that

participant's compensation and must recuse, abstain, or take other actions in accordance with this policy.

- (c) No voting participant of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI.

ANNUAL STATEMENTS

Each director, principal officer, and participant of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy,
- (d) Has disclosed at least annually potential or actual conflicts of interest in writing, and
- (e) Understands the Organization is charitable and to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VII.

PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnership, joint ventures and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII.

USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

This policy was approved and enacted by the Friends of the James River Park Board of Directors on January 10, 2023.

A handwritten signature in black ink, consisting of a stylized, cursive name, positioned above a horizontal dashed line.

Secretary, FOJRP Board of Directors