

4 PAWS FOR ABILITY

CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE:

4 Paws For Ability, Inc., is an Ohio nonprofit, tax-exempt organization (“4 Paws”). Maintenance of its tax-exempt status is important for its continued financial stability and for public support. The IRS and other state regulatory and tax officials view the operations of 4 Paws as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

A fiduciary duty of loyalty, fidelity and fair dealing exists between 4 Paws and its Board of Directors, officers, and decision-making employees. 4 Paws also has a fiduciary duty to the general public. The Board of Directors, officers, and decision-making employees have the responsibility of administering the affairs of 4 Paws honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of 4 Paws. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with 4 Paws or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

The purpose of this Conflict of Interest Policy (or “Policy”) is to: (1) inform the Board of Directors and 4 Paws about what constitutes a conflict of interest, (2) assist the Board of Directors in identifying and disclosing actual and potential conflicts, and (3) ensure the avoidance of conflicts of interest when necessary. Conflicts of interest or potential conflicts may interfere with the Board’s independent decision-making authority with respect to financial and other organizational resources.

This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

SECTION 2. PERSONS CONCERNED:

This Policy is directed not only to directors and officers, but to all employees, volunteers and donors who can influence the actions of 4 Paws. For example, this would include all who make purchasing decisions, all persons who might be described as "management or decision-making personnel," and anyone who has proprietary information concerning 4 Paws.

Each Board Director, officer, and decision-making employee shall annually acknowledge the terms of this policy by signing the Annual Conflict of Interest Disclosure Statement attached hereto as Exhibit A.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers and decision-making employees with, including but not limited to, the following third parties:

1. Persons and firms supplying goods and services to 4 Paws;
2. Persons and firms from whom 4 Paws leases property and equipment;
3. Persons and firms with whom 4 Paws is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property;
4. Competing or affinity organizations;

5. Donors and others supporting 4 Paws;
6. Agencies, organizations, and associations which affect the operations of 4 Paws; or
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Having an ownership interest in or holding debt or other proprietary or financial interest in any third party dealing with 4 Paws;
2. Holding office, serving on the board, participating in management, or being otherwise employed with any third party dealing with 4 Paws;
3. Receiving remuneration for products or services with respect to individual transactions involving 4 Paws;
4. Using 4 Paws' time, personnel, equipment, supplies, or good will for other than 4 Paws' approved activities, programs, and purposes;
5. Receiving personal gifts or loans from third parties dealing or competing with 4 Paws. Receipt of any gift is prohibited except gifts of a value less than \$50, which could not be refused without discourtesy. Personal gifts of money in any amount are strictly prohibited.

SECTION 5. INTERPRETATION OF THIS POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers and decision-making employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of material importance to 4 Paws.

However, it is the policy of the Board of Directors that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board of Directors, officers, and decision-making employees to scrutinize their outside business interests, personal relationships and transactions for potential conflicts, and to immediately make such disclosures. If a director, officer or decision-making employee has any concern over an existence of a conflict, they should err on the side of caution and report such potential conflict pursuant to this Policy

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded (except to the extent needed to investigate such conflict) from the discussion and approval of such transaction;

3. A competitive bid or comparable valuation exists;
4. The Board of Directors has determined that the transaction is in the best interest of the organization; and
5. In no event shall a director or officer participate in the vote approving their own compensation or remuneration.

Disclosure of a conflict or potential conflict should be made to the Executive Director (or if she or he is the one with the conflict, then to the Chairman of the Board), who shall bring the matter to the attention of the Board of Directors. Disclosure involving directors should be made to the Chairman of the Board, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the full Board of Directors.

The Board of Directors shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to 4 Paws. The decision of the Board of Directors on these matters will rest in their sole discretion, and their concern must be the welfare of 4 Paws, and the advancement of its purpose.

SECTION 7. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY:

If the Board of Directors has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 8. RECORDS OF PROCEEDINGS:

The minutes of the Board of Directors shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial or other interest in connection with an actual or possible conflict of interest, the nature of the financial or other interest, any action taken to determine whether an actual or potential conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest in fact existed;
2. 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 mitigation strategies or alternatives to the proposed contract, transaction, or arrangement, and a record of any votes taken in connection with the proceedings, and the results; and
3. Any person's abstention from voting shall be recorded, and the conflicted person's non-participation in any discussion and leaving the room shall be recorded.

Adopted by the Board of Directors [REDACTED], 2020

EXHIBIT A
ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

(See attached)

4 PAWS FOR ABILITY

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

In compliance with the 4 Paws for Ability, Inc. Conflict of Interest Policy:

By signing below, I agree that:

- (a) I have received a copy of the Conflict of Interest Policy for Board members, officers and decision-making employees;
- (b) I have carefully read and understand the Conflict of Interest Policy;
- (c) I agree to comply with the Conflict of Interest Policy, and I have retained a copy of the Policy for future reference;
- (d) I understand that 4 Paws for Ability, Inc. is a charitable organization and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes;
- (e) I have disclosed all matters required to be disclosed pursuant to the Conflict of Interest Policy; and
- (f) If a situation should arise about an actual or potential conflict of interest in the future, I will promptly and fully disclose the circumstances to the Executive Director or the Chairman of the Board of 4 Paws for Ability, Inc., as required.

Signed:

Date: _____

Printed Name:

Position:

**4 PAWS FOR ABILITY
GIFT POLICY AND DISCLOSURE FORM**

As part of its conflict of interest policy, 4 Paws For Ability requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with 4 Paws For Ability or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

- Section 1.** “Responsible Person” is any person serving as an officer, employee or a member of the board of directors of 4 Paws For Ability.
- Section 2.** “Family Member” is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.
- Section 3.** “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to 4 Paws For Ability is not a “contract” or “transaction.”
- Section 4** Prohibited gifts, gratuities and entertainment. Except as approved by the Chairman of the Board or his designee or for gifts of a value less than \$50 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:
1. Does or seeks to do business with 4 Paws For Ability or,
 2. Does or seeks to compete with 4 Paws For Ability or,
 3. Has received, is receiving, or is seeking to receive a Contract or Transaction with 4 Paws For Ability.

GIFT STATEMENT

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

Signature

Date