

**FRIENDS OF ETHIOPIAN DIASPORA TRUST FUND INC. (FEDTF)
CONFLICT OF INTEREST POLICY**

(Adopted by the Advisory Council on December 14, 2018)

ARTICLE I Purposes

1. The purpose of the Conflict of Interest policy is to protect the interests of the FRIENDS OF EDTF INC. (hereinafter the “FEDTF”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Member (of the Advisory Council) or Director (of the Executive Board) of the FEDTF or might result in a possible excess benefit transaction. The policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable foundations.

ARTICLE II Definitions

1. Any Member of the Advisory Council or Executive Board Member who has a direct or indirect personal interest, as defined below, is an interested person.

A “personal interest” exists where such person has, directly or indirectly, through business, investment or family:

- a. an ownership or investment interest in any entity with which FEDTF has a transaction or arrangement;
- b. a compensation arrangement with FEDTF or with any entity or individual with which FEDTF has a transaction or arrangement; or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FEDTF is negotiating a transaction or arrangement.

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

Under Article III, a person who has a personal interest may have a conflict of interest if the Advisory Council decides that a conflict of interest exists.

ARTICLE III Procedures

1. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person(s) must disclose the existence of the personal interest and be given the opportunity to disclose all material facts to the Advisory Council or Executive Board, (as applicable) considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists: After disclosure of the personal interest and all material facts, and after any discussion with the interested person, he/she shall leave the Advisory Committee or Executive Board meeting while the determination of a conflict of interest is discussed and vote upon. The remaining Advisory Committee or Executive Board members shall decide if a conflict of interest exists.
3. Procedures for Addressing Conflicts of Interest:
 - a. An interested person may make a presentation at the Advisory Committee or Executive Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the Advisory Committee or Executive Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Advisory Committee or Executive Board shall determine whether FEDTF 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 Advisory Committee or Executive Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in FEDTF'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 Advisory Committee or Executive Board has reasonable cause to believe a member 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 Advisory Committee or Executive Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
5. At all times, Members and Directors are prohibited from using their job title or the organization's name or property, for private profit or benefit.
 6. The Members or Directors shall neither solicit nor accept gratuities, favors, or anything of monetary or nonmonetary value from contractors/vendors. This is not intended to preclude bona-fide FEDTF fund raising-activities.

ARTICLE IV Annual Statement

Each Member and Director shall annually sign a statement that 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, and
- d. Understands that FEDTF is charitable 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.

ARTICLE V Periodic Reviews

1. To ensure that FEDTF 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:

Whether partnerships, joint ventures, and arrangements with organizations conform to the FEDTF's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction

ARTICLE VI Record of Conflict

1. The official minutes of the Advisory Council and Executive Board shall reflect contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Advisory Committee's or Executive Board'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 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.
