CONFLICT OF INTEREST POLICY

JEFFERSON COUNTY COMMUNITY FOUNDATION

PURPOSE

The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of the Jefferson County Community Foundation (the "Foundation") in connection with any transaction or arrangement that might benefit the private interests of any Covered Person, as defined below. This Policy provides (i) a systematic mechanism for disclosing and evaluating potential and actual conflicts; and (ii) procedures for the Board of Directors in considering any transaction or arrangement where a conflict may exist.

PERSONS COVERED BY THE POLICY

This policy applies to "Covered Persons," defined as any the Foundation director, officer, or member of any committee of the Foundation's Board of Directors that has authority to act on behalf of the Board of Directors. Every Covered Person shall complete an annual Conflict of Interest Questionnaire.

DUTIES OF COVERED PERSONS

Duty of Care. Every Covered Person shall perform his or her duties for the Foundation in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.

Duty of Loyalty. Every Covered Person must act with loyalty to the Foundation, meaning that no Covered Person may use his or her position with the Foundation to make personal profit or gain other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to the Foundation unless the Board of Directors determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.

Conflicts of Interest. No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. Covered Persons should avoid both actual conflicts and the appearance of conflicts of interest. Every Covered Person shall:

Disclose all actual and potential conflicts as set out below at Section 5; and

Recuse himself/herself from voting on any transaction or arrangement in which he/she has a potential or actual conflict of interest, and shall not be present when any such vote is

taken.

CONFLICT OF INTEREST

Potential Conflict. A Covered Person may have a conflict of interest with respect to a transaction or arrangement whenever he or she, or any of his or her family members:

Receives compensation or other funding directly or indirectly from the Foundation and the transaction or arrangement involves such compensation or funding;

Has or anticipates having a compensation arrangement with any entity or individual that either: (a) sells goods or services to, or purchases services from the Foundation; (b) has any other transaction or arrangement with the Foundation; or (c) competes with the Foundation;

Has or anticipates having any ownership interest, investment interest, or serves or anticipates serving as a director or officer of, any entity that either: (a) sells goods or services to, or purchases services from the Foundation; (b) has any other transaction or arrangement with the Foundation; or (c) competes with the Foundation; or

Has accepted any gift, entertainment, or other favor where such acceptance might create the appearance of influence on the Covered Person (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction).

No Conflict. A Covered Person does not have a conflict of interest if the Covered Person owns securities of a publicly traded company with which the Foundation has a transaction or arrangement if:

Such securities are less than 5% of the outstanding securities of the publicly traded company; and

Their fair market value is less than 5% of the Covered Person's annual gross income.

DISCLOSURE AND EVALUATION OF CONFLICTS

Disclosure. Each Covered Person shall promptly and fully disclose all material facts of every actual or potential conflict of interest:

Existing at the time when he/she becomes a Covered Person;

That arises while he/she is a Covered Person, at the time such actual or potential conflict arises; and

Annually through the annual Conflict of Interest Questionnaire.

All disclosures involving a transaction or arrangement being considered at a meeting of the board or a committee shall be made to all members present at such meeting. All other disclosures shall be made to the President (who shall disclose his or her conflicts to the Board of Directors).

Evaluation. The President shall disclose to the Board of Directors all conflicts of interest reported to him or her under this Policy. The Board of Directors will evaluate the disclosures to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the situation.

PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

Formal Approval. the Foundation may enter into a transaction or arrangement in which a Covered Person has a conflict of interest if:

The Covered Person has disclosed the conflict of interest in accordance with this Policy;

A majority of directors who have no interest in the transaction or arrangement approve the transaction or arrangement at a board or committee meeting after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to the Foundation and is in the Foundation's best interest;

Any Covered Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however, that any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement); and

The Board of Directors relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to the Foundation.

Transaction Fair to the Foundation. It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to the Foundation, furthers its tax-exempt purposes, and does not result in inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax

under Section 501(c)(3) of the Internal Revenue Code.

RECORDS OF PROCEEDINGS

Content of Minutes. The minutes of the Board of Directors or any committee of the board for any meetings described above shall contain:

The names of the persons who disclosed an actual or potential conflict of interest or otherwise were found to have a conflict of interest, and the nature of the conflict of interest; and

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 considered and the appropriate comparability data relied upon, and a record of any votes taken.

Timing. The minutes of any meeting described above shall be prepared by the later of the next succeeding meeting of the Board of Directors or committee, or 60 days after the final action on the matter is taken by the Board of Directors or committee.

ENFORCEMENT

Each Covered Person shall sign a statement acknowledging that he or she has received a copy of this Policy, has read and understands it, and agrees to comply with it. If the Board of Directors has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the board may counsel the Covered Person regarding such failure and, if the issue is not resolved to the board's satisfaction, may consider additional corrective action as appropriate.

CERTIFICATE OF ADOPTION

The foregoing Conflict of Interest Policy was adopted by the board of directors of Jefferson County Community Foundation on the 13th day of July, 2005.

By:
Tim Caldwell, Secretary

JEFFERSON COUNTY COMMUNITY FOUNDATION
ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE

This Questionnaire is to be completed annually by all the Foundation officers, directors, and members of committees of the Board of Directors authorized to act on behalf of the Board.

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seq level3 *alphabetica. Name:

_____

Address:

_____

_____

_____

_____

Telephone Number: _____

seq level3 *alphabeticb. Position with the Foundation: _____

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seq level3 *alphabetica. **Investments.** Identify any investments that you or a member of your family has or had during the last five (5) years in any organization that has, does, or is likely to provide goods or services to, or to compete with the Foundation:

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/ / None

seq level3 *alphabeticb. **Directive or Other Services.** Identify any services that you or a member of your family provides or provided with the last five (5) years as a director, partner, principal, manager, employee or consultant to any organization that does, has, or is likely to provide goods or services to, or compete with the Foundation:

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_____

/ / None

seq level3 *alphabeticc. **Interests in Transactions.** Identify any interest that you or a member of your family or any organization in which you have an interest (*e.g.*, a corporation or partnership) has had in any transaction during the last five (5) years, to which the Foundation or any related organization, was a party (*e.g.*, any loans, sales of goods or services, or guarantees).

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/ / None

seq level3 *alphabeticd. **Other.** Identify all other circumstances affecting you or members of your family that might appear to involve a conflict of interest, actual or potential, and any circumstances that could be viewed as use of information relating to the Foundation's business for personal profit or advantage.

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_____

/ / None

ACKNOWLEDGMENT AND SIGNATURE

To the best of my knowledge and belief, the above information is true and accurate. I have received a copy of the Foundation's's Conflict of Interest Policy, which I have read and understand, and I hereby agree to comply with it.

DATED this ____ day of _____, 2____.

By

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