Conflict of Interest Policy

Members of the Distribution Committee or Board (“Directors”), consulting members (“Consulting Members”), Advisory Board members and non-directors who serve on committees (“Outside Members”), officers, and key employees of The New York Community Trust and Community Funds, Inc. (including the Long Island Community Foundation and Westchester Community Foundation divisions) (such organizations collectively referred to as “The Trust”) owe a duty of loyalty to The Trust and its mission, which requires that in serving The Trust they act, not in their personal interests or in the interests of others, but solely in the interests of The Trust. Directors, Consulting Members, Outside Members, officers, and key employees may not use their positions, information they have about The Trust, or Trust property in a manner that allows them to secure a material benefit for themselves or members of their family or household.

A conflict of interest may arise when any Director, Consulting Member, Outside Member, officer, key employee, or a Related Party provides goods or services to or engages in a transaction with The Trust or its affiliates or if such a person has a relationship with or interest in any firm, company or other organization that does so. For this purpose, “Related Party” with respect to a Director, Consulting Member, Outside Member, officer, or key employee means that person’s spouse or domestic partner, parents, grandparents, or other ancestors, children, grandchildren, siblings (including half-siblings), and in-laws; a person’s household is limited to Related Parties who live in the same home. “Key employee” means an employee in a position to exercise substantial influence over the organization within the meaning of Internal Revenue Code §4858(f)(1)(A) and the regulations thereunder.

This policy is intended to prevent such a conflict of interest, or even the appearance of a conflict, from affecting the objectivity and independence of Directors, Consulting Members, Outside Members, officers, and key employees, and to protect The Trust’s interests when it is considering entering into a contract, transaction, or arrangement that might benefit the private interests of any such person.

A conflict of interest also may arise when any Director, Consulting Member, Outside Member, officer, or key employee or a Related Party, has a relationship with any individual or charitable organization which is a potential grantee.

Potential conflicts of interest for staff who are not officers or key employees are addressed in The Trust’s Code of Conduct and Ethics.

1. Each Director, Consulting Member, Outside Member, officer and key employee shall discharge his or her duties in good faith and may not take personal advantage of a business opportunity that is offered to The Trust unless the Board or Distribution Committee first determines not to pursue such opportunity.
2. Each Director, Consulting Member, Outside Member, officer and key employee must protect confidential information and must not use confidential information or their position to the detriment of The Trust. Confidential information is information obtained through such person’s position that has not been made public.

3. Each Director, Consulting Member, Outside Member, officer and key employee shall advise The Trust in writing, at least annually, whether he or she or a member of his or her household has a Covered Relationship, as defined below, and any new Director, Consulting Member, Outside Member, officer or key employee will be asked to so advise prior to undertaking the duties of office. In addition, if any Related Party who is not a member of the household has a relationship within (a) or (b) below, such relationship must be reported. The Secretary shall provide copies of such statements to the Audit Subcommittee as required by New York law.

A “Covered Relationship” is one in which a Director, Consulting Member, Outside Member, officer, or key employee or a Related Party (a “Covered Person”):

(a) is a Director, officer, or partner, has an ownership interest greater than 5 percent in, serves as counsel to, or has a compensation or other financial arrangement with any firm, company or other organization which provided any goods or services or engaged in any other transaction with The Trust or its affiliates, or is under consideration to do so (sometimes referred to as a “financial conflict”);

(b) has a family relationship or business relationship with any Covered Person. For this purpose, a business relationship is one in which two or more Covered Persons have a compensated relationship or other financial arrangement or are directors, officers or senior staff members of or have an ownership interest in or compensation or financial arrangement with the same business entity; or

(c) is a Director, officer, or employee of, serves as counsel to, or has a compensation or other financial arrangement with any not-for-profit organization.

If a Covered Relationship arises subsequently, the Director, Outside Member, officer or key employee shall promptly disclose such relationship to the Secretary. An interest as a director, officer, or staff member of The James Foundation or any other organization under common control with The Trust shall not be considered to be a Covered Relationship.

4. No transaction or financial arrangement involving a Covered Person or a Covered Relationship shall be entered into by The Trust unless the Distribution Committee or Board shall determine that it is fair, reasonable, and in The Trust’s best interests.

5. If a Covered Person has, or a Covered Relationship involves, a substantial financial interest in a contemplated transaction or financial arrangement, the Distribution Committee or Board or authorized board subcommittee must:
(a) prior to entering into the transaction, consider alternative transactions to the extent available;

(b) approve the transaction by not less than a majority vote of the Directors present at the meeting; and

(c) contemporaneously document in writing the basis for its approval of the transaction, including consideration of an alternative.

For this purpose a substantial financial interest means a transaction valued at more than $10,000, unless the law or regulations provide a different definition for a substantial financial interest, in which case the standard set by law or regulations shall apply.

6. In the case of a transaction or financial arrangement (not including a grant) involving a Director, Consulting Member, or Outside Member, directly or through a Related Party or a Covered Relationship within the scope of paragraph 3(a), the Director or Outside Member shall disclose such relationship and shall (whether in committee or before the full board) leave the meeting during the discussion of and voting on the matter. Such leave and abstention from discussion and voting shall be reflected in the minutes of the meeting. No officer or key employee who, directly or through a Related Party, has a relevant Covered Relationship within the scope of paragraph 3(a) may be involved on behalf of The Trust in supervising the relationship with such firm, company or other organization, or in evaluating or recommending a transaction with it. In addition, no such Director, Outside Member, officer or key employee shall attempt to influence deliberations or voting on any such transaction as within the scope of paragraph 3(a).

7. Any Director or Consulting Member who, directly or through a Related Party, has a relevant Covered Relationship with a not-for-profit organization within the scope of paragraph 3(c) shall disclose such relationship and shall abstain from voting on any decision to make, reduce, augment or condition any grant to such organization. In cases where the Chairman believes it appropriate, he or she may request that a Director or Consulting Member with a relevant Covered Relationship not participate in the discussion of the matter. In addition, the Chairman may request that such person leave the meeting during the discussion of and voting on the matter. Such leave and abstention from discussion and/or voting shall be reflected in the minutes of the meeting.

8. If an officer or key employee, directly or through a Related Party, has a Covered Relationship within the scope of paragraph 3(c) with a prospective grantee, the relationship must be disclosed to the President and, in the President’s discretion, another staff person may be assigned to evaluate the potential grant. If the President has a Covered Relationship with a potential grantee, and the grant otherwise is within the President’s discretion, the grant shall be submitted to the Chairman for approval.