



## CITIZENS UNION FOUNDATION CODE of ETHICAL CONDUCT and CONFLICTS of INTEREST POLICY

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The following is the policy of the Citizens Union Foundation of the City New York, Inc. with regards to a Code of Ethical Conduct and Conflicts of Interest.

Citizens Union Foundation (CUF) is open to all who are committed to its mission to inform and educate New Yorkers about important issues and ensure that the governments of New York City and State are open, effective, and accountable to its citizens. It not only values those whose knowledge and involvement in the affairs of the city and state of New York can assist the organization in fulfilling its mission and carrying out its work, but actively seeks out those who can meaningfully contribute to its role as an independent, nonpartisan, civic organization. As such, CUF has an obligation to maintain the public trust. Its historic success and current effectiveness depends upon its non-partisan reputation and ability to earn respect for its positions and actions. It is therefore incumbent upon the officers, members of the board of directors (directors), members of the organizations' committees (committee members) and the key staff members (staff) of CUF to conduct the affairs of the organization with a commitment to the highest standards of integrity.

### Code of Ethics

It is the policy of CUF that such conduct includes acting at all times in an honest, non-partisan and ethical manner and in compliance with all laws and regulations. Such conduct includes minimizing - and where possible avoiding - actual, potential or perceived conflicts of interest, exercising reasonable care, good faith, and due diligence in the affairs of CUF, and respecting the confidentiality of sensitive information known due to board or committee service, or employment, with CUF.

Compliance with this Code of Ethical Conduct and Conflicts of Interest Policy (this "Code") will further CUF's work to ensure fair elections, clean campaigns, public-minded elected officials, and open, effective government that is accountable to the citizens of New York. It is important that those involved in these aforementioned roles with CUF support and sustain an organizational culture where civility and honest, ethical conduct is recognized, valued and exemplified.

Since CUF serves as a watchdog for the public interest and an advocate for the common good, it is important that board and committee members, regardless of their political interests or particular viewpoints, work to achieve common ground with fellow board and committee members in reaching policy decisions that are non-partisan, serve the broad public interest, and support effectively CUF's work.

When performing their functions, officers, directors, committee members, and key staff members (stakeholders) have an obligation to act in the best interests of CUF. It is expected that these persons will be involved in important activities and worthwhile causes outside of their involvement with CUF. The experiences of these stakeholders who serve in other capacities for profit and nonprofit organizations

enable them to provide special knowledge, experience, and perspective to their positions within CUF. At the same time, good governance requires full disclosure to the extent known of any conflicts of interest with respect to activities or interests outside of the scope of their CUF duties. The disclosure requirements of this Code are intended to prevent or minimize or prevent any such actual, potential or perceived conflicts of interest.

### **Conflicts Of Interest**

Disclosure and consultation regarding any situation that might create, or be viewed as creating an actual or possible conflict of interest are the best means for minimizing or avoiding impermissible conflicts of interest. As conflict of interest situations are often complex and since judgments may differ on whether a conflict in fact exists, such a policy of disclosure and consultation is aimed at preventing stakeholders from inadvertently placing themselves in positions of conflict with their responsibilities to CUF.

It is the policy of CUF that all stakeholders exercise care that no harm to CUF results from a conflict between their interests and those of CUF. Furthermore, it is the policy of CUF that no stakeholder shall derive any personal profit or gain (monetary or non-monetary), directly or indirectly, by reason of his or her participation in the activities of CUF, (except as an employee of CUF) and where possible avoid any actual conflict of interest.

A conflict of interest arises when a stakeholder (or any member of his or her immediate family) has a financial or other material interest that conflicts with the interests of CUF. A conflict may also arise if such interest affects or might affect the independence or judgment of the stakeholder with respect to policy positions, or the fulfilling of one's fiduciary responsibilities.

Stakeholders also have a duty not to use their positions or information that they possess about CUF for personal financial gain or other material benefit. CUF's name and resources are to be used for the furtherance of the organizations' goals and not for the benefit of, or to imply CUF's support of, a non-CUF activity unrelated to such goals.

Potential or perceived conflicts of interest may also exist in situations where there is an appearance or possible perception that a stakeholder is acting in his or her own interest rather than in the best interest of CUF, has the ability to exercise undue or improper influence over CUF decisions, or is receiving favorable treatment because of his or her position.

For the purpose of this policy, immediate family includes spouse, partner, dependent children living at home, or any person who is financially dependent on the stakeholder.

### **Conflicts of Interest Examples**

The following possible examples are provided merely as a guide to assist in the disclosure, evaluation and determination of conflicts.

- A. Possible examples of an actual conflict of interest specific to the issue being addressed or matter being decided would be as follows:
  1. Profiting financially from a CUF policy decision or vendor relationship.

2. Serving as a paid advisor to an elected official or candidate for elected official who is seeking the support of CU.
3. Serving in an appointed position, either employed, compensated, or voluntary, by an elected official.

B. Examples of a potential or perceived conflict of interest specific to the issue being addressed or matter being decided would be as follows:

1. Being directly and knowingly associated with an entity that stands to profit financially from a CUF policy decision or vendor relationship.
2. Working directly on a specific issue in which one, one's organization, business or firm, or other non profit/civic organization with which one is associated through board or employee service, stands to benefit materially from the policy position to be taken by CUF or financial decision made by CUF.
3. Serving as a board member, officer, or paid employee of an organization that is working on, or taking a position on, an issue that CUF is also considering.

### **Conflicts Procedure**

In many cases of actual, potential, or perceived conflicts of interest, all which are required is disclosure to the organization. All stakeholders, but for committee members, must complete a form on annual basis at the beginning of each calendar year, disclosing any conflict of interest of which they have knowledge regarding their own activities and interests, whether actual, potential, or perceived, and submit such form to the chair of the board of directors or the executive director. For any additional actual, potential or perceived conflict that arises during the year, all stakeholders shall inform the chair of the board or the executive director of such conflict as promptly as is feasible. The chair and the executive director shall refer all such information to the chair of the audit committee for review and handling. The audit committee is the entity responsible for acting upon the information and addressing the actual, potential or perceived conflicts, if an action other than disclosure is necessary.

In the event the conflict concerns either the chair of the board of directors or the executive director, disclosure must be made to the other party and to the chair of the audit committee. In the event the conflict concerns the chair of the audit committee, the chair of the board will designate another member of the audit committee to act in his or her place. In the case of non-board volunteer members of CUF committees, disclosure of actual, potential, or perceived conflicts only need be made to the committee chair and the executive director for review and consideration.

The audit committee shall promptly determine whether the actual, potential or perceived conflict requires action that may include disclosure to the entire board or committee involved in the matter, recusal, refraining from attending the relevant meeting or other measure as it may deem necessary. The audit committee may refer the matter to the executive committee or executive director for handling if it so deems. While the audit committee is considering action in the matter, the individual involved in the conflict should refrain from participating in the decision, but may participate in the discussion unless the chair determines otherwise. The chair, executive director, and audit committee have an obligation to investigate, address promptly and treat as confidential, to the extent possible, all such matters, and make their decisions quickly.

With regard to potential or perceived conflict item B.3. above, the affected stakeholder shall disclose to the chair or executive director or, if the potential or perceived conflict is first identified during the course of a board or committee meeting, to the board or that committee, the nature of any conflict of which the stakeholder has knowledge, and whether the stakeholder believes she or he should participate in the discussion or consideration of the matter. Should the stakeholder choose to continue to participate in the consideration or discussion of an issue after such disclosure, anyone on the board or committee who has a concern that the stakeholder's continued participation in the discussion would jeopardize the integrity or credibility of CUF may question the decision. If the stakeholder then continues to believe he or she should participate, the person raising the concern should raise that concern immediately to the chair, executive director or the audit committee chair, or any of those may raise the issue on their own, and if the chair or audit committee chair deems it appropriate, that person shall raise the issue with the audit committee, and the procedure set forth in the preceding paragraph shall be followed.

### **Gifts and Other Payments**

Except for gifts of nominal value or meals and social invitations in keeping with good business ethics that do not obligate the recipient, a stakeholder may not accept commissions, gifts, payments, entertainment, services, loans or promises of future benefits from any person or entity relating to, or on account of, his or her, (or his or her family's) CUF service or employment.

### **Possible Conflicts Outcomes and Disposition**

With respect to officers, directors, or committee members, an action in response to an actual conflict, may include, but is not limited to, requiring an interested officer, director, or committee member to recuse him or herself from consideration of the related matter and its subsequent decision by the board (and, if requested, to leave the room during its consideration), or recommending to the board that such director or committee member be asked to resign or be removed.

With respect to officers, directors, or committee members, an action in response to a possible or perceived conflict may involve only disclosure, but it may also include requiring an interested officer, director, or committee member to recuse him or herself from consideration of the related matter and its subsequent decision by the board, or executive director and committee chair in the case of a committee member, and, if requested, to leave the room during its consideration.

With respect to staff members, such action may include, but is not limited to, requiring the staff member to absent him or herself from decisions or activities relating to the proposed matter, or having the executive director, if warranted, dismiss such staff member.

In furtherance of this policy, each stakeholder shall be required to read this Code and complete the Conflict of Interest Disclosure Statement (Statement) attached hereto upon election, appointment, or hire, and on an annual basis thereafter for as long as ones serves or work in such capacities. The information on the Statement shall be kept current and up-to-date at all times. Changes in status will require the stakeholder to update the Statement.

Adopted by the  
Citizens Union Foundation of the City of New York, Inc.  
Board of Directors  
January 12, 2009