

NETWORK OF JEWISH HUMAN SERVICE AGENCIES, INC.

Conflict of Interest and Related Party Transaction Policy

I. PURPOSE

The Network of Jewish Human Service Agencies (the “Network”) is committed to the maintenance of the highest ethical standards. Directors, officers and staff of the Network owe it a duty of loyalty and must act in with reasonable care and in good faith toward the Network and in the Network’s best interests, rather than in their own interests or the interests of another entity or person, and must comply with applicable legal requirements. It should be noted that the Network’s concerns extend beyond whether a particular action is technically lawful. Of equal importance to the organization is whether a particular action could be viewed by the Network’s members or the public as improper, unethical or inappropriate.

The purpose of this Conflict of Interest and Related Party Transaction Policy (this “Policy”) is to outline procedures for monitoring, reporting, review and oversight of, and review, approval or ratification of any action taken in connection with, conflicts of interest and related party transactions.

II. APPLICABILITY

This Policy applies to any person who is:

1. A director of the Network;
2. An officer of the Network;
3. A “key person” (as defined below) of the Network or any other person who exercises the powers of a trustee/director, officer or key person of the Network;
4. and any other employee, volunteer (including all Network committee members), independent contractor of, or substantial contributor to, the Network,

(each, a “Covered Person”).

This Policy also applies to transactions or arrangements with an “Other Related Party” (as defined below).

A “key person” is a person, other than a director or officer, whether or not an employee of a corporation who (i) has responsibilities, or exercises powers or influence over the corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the corporation, or a segment of the corporation that represents a substantial portion of the activities, assets, income or expenses of the corporation; or (iii) alone or with others controls or determines a substantial portion of the corporation’s capital expenditures or operating budget, in accordance with applicable IRS rule.

An “Other Related Party” is a “relative” (as defined below) of a Covered Person or an entity in which a Covered Person or relative of a Covered Person has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

A “relative” is a (i) spouse or domestic partner (as defined in Section 2994(a) of the New York Public Health Law); (ii) ancestor, child (whether natural or adopted), grandchild, great-grandchild, sibling (whether whole- or half-blood); or (iii) spouse or domestic partner of a child (whether natural or adopted), grandchild, great- grandchild or sibling (whether whole- or half-blood).

III. SPECIFIC RULES OF CONDUCT

- (a) No Director or committee members shall receive a salary or fee for their services on the Board, as an officer, or as a committee member.
- (b) No Covered Person may directly or indirectly accept any gift, payment, service or special privilege, or other favors from any person or business organization that does or seeks to do business with the Network except in compliance with the Network’s Gift Acceptance Policy.
- (c) No Covered Person shall use confidential or proprietary information obtained as a Covered Person for personal gain.
- (d) No relative of any Director or Key Person may be employed or retained by the Network except with approval of the Board granted in compliance with the requirements of this policy.

IV. CONFLICTS OF INTEREST

A conflict of interest arises whenever the interests of the Network come into conflict with a financial or personal interest of a Covered Person, or otherwise whenever a Covered Person’s personal or financial interest could be reasonably viewed as affecting his or her objectivity or independence in fulfilling their duties to the Network.

While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a Covered Person or Other Related Party has (directly or indirectly):

1. a direct or indirect interest (financial or otherwise) in a transaction, agreement or any other arrangement and in which the Network participates;
2. a compensation arrangement or other interest in a transaction with the Network;
3. a compensation arrangement or other interest in or affiliation with any entity or individual that: (i) sells goods or services to, or purchases goods or services from, the Network; (ii) competes with the Network; or (iii) the Network has, or is negotiating, or contemplating negotiating, any other transaction or arrangement with;

4. the ability to use his or her position, or confidential information or the assets of the Network, to his or her (or an affiliated party's or relative's) personal advantage or for an improper or illegal purpose;
5. solicited or accepted any gift, entertainment, or other favor where such gift 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 and otherwise acceptable in accordance with the Network's Gift Acceptance Policy);
6. acquired any property or other rights in which the Network has, or the Covered Person or Other Related Party knows or has reason to believe at the time of acquisition that the Network is likely to have, an interest;
7. an opportunity related to the activities of the Network, unless the Board or the Executive Committee thereof has made an informed decision that the Network will not pursue that opportunity;
8. been indebted to the Network, other than for amounts due for ordinary travel and expense advances; or
9. any other circumstance that may, in fact or in appearance, make it difficult for the Covered Person to exercise independent, objective judgment or otherwise perform effectively.

V. OTHER CIRCUMSTANCES THAT MAY CONFLICT WITH DISINTERESTED ACTIONS

In addition to conflicts of interest of the type described above, Directors and other Covered Persons may also have other relationships or engage in transactions, while not constituting a clear conflict of interest, may suggest they cannot act in a disinterested manner that is fully consistent with their fiduciary obligations to the Network. It is incumbent on every Director and other Covered Persons to remain sensitive to this potential risk, and to make appropriate disclosures, and take such other steps (including, for example, recusal from Board or committee discussion of the relevant issue) as are reasonably appropriate to maintain appropriate disinterestedness of the debate and decision process.

For example, Directors and other Covered Persons may also serve as directors, officers or employees of other not-for-profit organizations whose activities in some circumstances may be seen to compete with, or otherwise impact, the Network's fund raising, education, public advocacy or other programs and services. Where such circumstances exist, even where no actual conflict of interest (as outlined above) may exist, it is incumbent upon the affected individual to make reasonable disclosure of the circumstances, and to conduct him or herself with respect to the matter involved in such a manner as would be consistent with best interests of the Network.

The Network's By-laws require that at all times more than fifty percent of its directors shall be directors or employees of Agency Members. Many issues considered by the Board in the normal course of its work and obligations will necessarily have both indirect and direct impacts on its Members generally. The mere status of a Board member as a director or employee of an Agency Member shall not itself be deemed to conflict with the director's disinterestedness on any matter.

However, it is expected that all directors of the Network (including those who serve as employees or

directors of Member Agencies), when acting in that capacity, will do so in light of their fiduciary obligation to the Network, and not as an agent or in the specific interests of their Member Agency or, if they cannot do so, will recuse themselves from participation in any discussion or debate of the matter being considered. It is the policy of the Network to avoid the appearance of any *unique or specific benefit* in favor of any Member Agency being created or permitted to exist by virtue of the presence of an employee or director of such Member Agency serving as a member of the Network Board or any committee thereof. To avoid any implication to the contrary, no Member Agency director may participate in any discussion of, or vote on, the award of any grant or other benefit to, discipline or sanction of, its own agency by either the Board or any committee thereof.

VI. CONFLICT OF INTEREST DISCLOSURE AND QUESTIONNAIRE

Each Covered Person required to disclose in good faith and in writing to the Board or the Executive Committee all material facts related to conflicts of interest (including those that implicate an Other Related Party but not a Covered Person) (including the nature of your or the Other Related Party's interest and information about any proposed transaction or other arrangement). Such disclosures shall be sent in writing (or by electronic mail) as follows:

Network of Jewish Human Service Agencies, Inc.
50 Eisenhower Drive, Suite 100
Paramus, NJ. 07652
Attention: Board Chair and Chief Executive Officer
Email: rrotman@networkjhsa.org and pohren@jfsdetroit.org

Disclosures should be made in advance, before any action is taken on the matter. Conflict identification and analysis can be difficult and, therefore, all Covered Persons are at all times expected to err on the side of caution and disclose all instances where a conflict of interest or the appearance of a conflict exists, even if you do not believe that there is an actual conflict.

Each current director, officer and key person of the Network, as well as nominees for election as director (prior to his or her initial election), must submit to the Secretary of the Network or a designated compliance officer at least once per year (and updated as appropriate) a questionnaire substantially in the form of the Appendix to this Policy. The Network's Secretary shall provide copies of all completed statements to the Board Chair.

VII. REVIEW, APPROVAL AND RATIFICATION

The Executive Committee or the Board will review all conflicts of interest and related party transactions and determine whether to approve or ratify any such matters; however, a transaction with a related party may proceed without such review if the transaction: (i) is of limited monetary value; (ii) would not usually be reviewed by the Board in the ordinary course of business and is available to others on the same or similar terms; or (iii) provides a charitable benefit to a member of a charitable class where the benefit is available to others on similar terms. The underlying matter may be approved by the Board or Executive Committee, as the case may be, if it determines that such matter, under the terms and within the circumstances and conditions presented, is fair, reasonable, and in the best interests of the Network at the time of such determination. In making its determination, the following will be considered, without limitation:

1. Alternative or comparable transactions to the extent available;
2. The Network's mission and resources;
3. The possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of, the Network (even if there is no actual conflict or wrongdoing); and
4. Whether the conflict may result in any private inurement, excess benefit transaction or impermissible private benefit under laws applicable to tax-exempt organizations.

When considering the comparability of transactions, the following may be considered: (i) fees paid by similarly situated organizations, both exempt and non-exempt; (ii) the availability of similar products or services within the same geographic area; (iii) survey or other data compiled by independent firms; or (iv) written offers from similar institutions competing for the same person's products or services.

Unless provided otherwise in the Network's By-laws or the Executive Committee's charter, as the case may be, a majority of the members of the Board or Executive Committee, as the case may be, shall constitute a quorum for a meeting and the affirmative vote of a majority of member present at a meeting at which a quorum is present shall constitute the action of the Board or Executive Committee with respect to any matter that is the subject of this Policy.

Persons with an interest in any matter under review by the Board or Executive Committee are not permitted to be present at or participate in any deliberations or voting with respect to the matter giving rise to the potential conflict, and must not attempt to influence improperly the deliberation or voting on such matter. In appropriate circumstances, any such person may be called upon to provide information relevant to the determination prior to the commencement of deliberations or voting related thereto. Notwithstanding the foregoing, a director with an interest in a matter under review shall be deemed to be present at the meeting for purposes of determining whether a quorum is present.

In the event the Network and/or a Covered Person in error enters into or otherwise participates in a conflict of interest transaction that requires pre-approval pursuant to this Policy, such transaction shall promptly upon discovery of such error be presented for review and the Board or Executive Committee shall in accordance with the procedures prescribed by applicable law consider whether to (i) ratify such transaction; (ii) direct the rescission or modification of the transaction (if possible to do so); (iii) take any disciplinary action; and/or (iv) make changes to the Network's controls and procedures in connection with such error.

VIII. RECORDS

The minutes of the Board or Executive Committee, as the case may be, meeting during which a potential or actual conflict of interest is disclosed or discussed shall be documented contemporaneously with the meeting and reflect the name of the interested Covered Person, the nature of the conflict, and details of the deliberations of the disinterested directors (such as documents reviewed, any alternatives or comparable transactions considered, comparative costs or bids, market value information and other factors considered in deliberations) and the resolution of the conflict including any ongoing procedures to manage any conflict that was approved. The interested person shall only be informed of the final decision and not of particular directors' positions or how they voted. In addition, certain related party

transactions are required to be disclosed in the notes to the Network's audited financial statements and its annual federal tax filing on Form 990.

IX. COMPLIANCE

If the Board or Executive Committee has reasonable cause to believe that a Covered Person has failed to comply with this Policy, it may make such further investigation as may be warranted in the circumstances and if it determines that a Covered Person has failed to comply with this Policy, it shall take appropriate action which may include, in the case of directors and officers, removal of the Covered Person from the board or from office or, in the case of key persons or others, termination of employment with the Network or an affiliate.

X. POLICY ADOPTION AND OVERSIGHT

The Board is responsible for providing oversight of the adoption and implementation of, and compliance with this Policy.

This Conflict of Interest and Related Party Transaction Policy was adopted by the Board July 28, 2019.

NETWORK OF JEWISH HUMAN SERVICE AGENCIES, INC.

Annual Acknowledgment and Disclosure Statement

The Conflict of Interest and Related Party Transaction Policy (the "Policy") of the Network of Jewish Human Service Agencies, Inc. (the "Network") is designed to assist directors, officers and key employees of the Network in meeting their ongoing responsibility to disclose any direct or indirect personal interest that may create a conflict of interest.

Please complete this Acknowledgement and Disclosure Statement and return the signed statements to the secretary.

Acknowledgment

I hereby acknowledge that I have received a copy of the Policy and that I have read it and understand it. I hereby agree to abide by and comply with the procedures contained in the Policy. I understand that the Network is charitable and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. The information set forth in the Disclosure Statement below is correct and complete to the best of my knowledge. During the time I am a director, officer or key person or other Covered Person of the Network, I agree to promptly report any future personal interest or circumstance that is required to be disclosed under the Policy.

Disclosure Statement

(1) All entities in which I or, to the best of my knowledge, a relative or any Other Related Party (as defined in the Policy) related to me holds a position as director, trustee, officer, owner (either as a sole proprietor or partner), member, or employee and with which the Network has a relationship¹:

_____ None.

_____ See information listed below
(list name of Relative or other Related Party (if relevant), name of entity and position held)

¹ The relationship of any director to a Member Agency which they represent does not need to be disclosed in response to this question.

(2) All entities that have entered or, to the best of my knowledge, may enter into a transaction, agreement or other arrangement with the Network and in which I or, to the best of my knowledge, a relative or any Other Related Party has a direct or indirect personal interest and the nature thereof:

_____ None.

_____ See information listed below

(list name of relative or Other Related Party (if relevant), name of entity and nature of interest)

(3) Any transaction in which the Network is a participant and in which I may have, or appear to have, a conflicting interest:

Dated:

Name: _____

Signature: _____