

CONFLICTS OF INTEREST POLICY

As a nonprofit, tax-exempt entity, the Pacific Justice Institute (PJI) depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the Internal Revenue Service and state corporate and tax officials view the operations of the organization as a public trust, accountable to both governmental authorities and members of the public.

This Conflicts of Interest Policy is directed to Trustees and officers, as well as those employees annually designated by the Board who influence the actions of the organization or its Board, or make commitments on their behalf. For example, this would include all who make purchasing decisions, all other persons who might be described as “management personnel,” and all who have proprietary information concerning the organization.

Among the organization and its Board, officers, and management employees, there exists a fiduciary duty, which carries with it a broad and unbending duty of loyalty. The Board, officers, and management employees are responsible for administering the affairs of the organization honestly and prudently, and for exercising their best care, skill, and judgment for the sole benefit of the organization. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the organization or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority, and all purchases of goods and services must be affected on a basis that secures for the organization full competitive advantages as to product, service, and price.

1. Areas in Which Conflicts May Arise

Conflicts of interest may arise in the relations of Trustees, officers, and management employees with any of the following third parties:

- 1.1 Persons or entities supplying goods and services to the organization.
- 1.2 Persons or entities from which the organization leases property and equipment.
- 1.3 Persons or entities with whom the organization is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property.
- 1.4 Persons or entities paying honoraria or royalties for products or for services delivered by the organization for its agents or employees.
- 1.5 Other ministries or nonprofit organizations.
- 1.6 Donors and others supporting the organization.
- 1.7 Stations or programmers that carry the organization’s programming.
- 1.8 Agencies, organizations, and associations that affect the operations of the organization.

2. Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned in Section 1, and a Trustee, officer, or management employee, which might affect, *or might reasonably be thought by others to affect*, the judgment or conduct of a Trustee, officer, or management employee of the organization. Such an interest might arise through, but is not limited to, the following:

- 2.1 Owning stock or holding debt or other proprietary interests in any third party dealing with the organization.

- 2.2 Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with the organization.
- 2.3 Receiving remuneration for services with respect to individual transactions involving the organization.
- 2.4 Using the organization's personnel, equipment, supplies, or goodwill for other than organization-approved activities, programs, and purposes.
- 2.5 Receiving personal gifts or loans from third parties dealing with the organization. (Receipt of any gift is disapproved except gifts of nominal value, which could not be refused without discourtesy. No personal gift of money should ever be accepted.)
- 2.6 Obtaining an interest in real estate, securities, or other property that the organization might consider buying or leasing.
- 2.7 Expending staff time for personal affairs or for other organizations, civic or otherwise, to the detriment of work performance for the organization.

All trustees, officers, agents, and employees of PJI shall disclose all real or apparent conflict of interest that they discover or that have been brought to their attention in connection with this organization's activities. A "conflict of interest" occurs where a person is responsible for promoting the interest of PJI at the same time he or she is involved in a competing personal interest (financial, business or personal). "Disclosure" shall mean providing properly, to the President or Chairman of the Board, a written description of the facts comprising the real or apparent conflict of interest. An annual disclosure statement shall be circulated to trustees, officers, and certain identified agents and employees to assist them in considering such disclosures, but disclosure is appropriate and required whenever conflicts of interest may occur. The written notices of disclosures shall be filed with the President or, if the matter involves the President, with the Chairman of the Board. At the meeting of the PJI Board, all disclosures of real or apparent conflict of interest shall be noted for the record in the minutes.

An individual trustee, officer, agent, or employee who believes that he or she or an immediate member of his or her immediate family might have a real or apparent conflict of interest, in addition to filing a notice of disclosure, must abstain from:

- (1) participating in discussions or deliberations with respect to the subject of the conflict (other than to present factual information or to answer questions);
- (2) using his or her personal influence to affect deliberations;
- (3) making motions;
- (4) voting;
- (5) executing agreements; or,
- (6) taking similar actions on behalf of the organizations where the conflict of interest might pertain by law, agreement, or otherwise.

At the discretion of the Board a person with a real or apparent conflict of interest may be excused from all or any portion of discussion or deliberations with respect to the subject of the conflict.

A member of the Board, who, having disclosed a conflict of interest, nevertheless shall be counted in determining the existence of a quorum at any meeting in which the subject of the conflict is discussed. The minutes of the meeting shall reflect the individual's disclosure, the vote thereon, and the individual's abstention from participation and voting.

The President shall ensure that all trustees, officers, agents, employees, and independent contractors of the organization are made aware of the organization's policy with respect to conflicts of interest.

CONFLICT OF INTEREST/RELATED PARTY QUESTIONNAIRE

A conflict of interest may relate to you, your spouse, family members, business interests, and/or associates. Conflicts of interest may arise when one party has the ability to significantly influence the management or operating policies of the other, to the extent that one of the transacting parties might be prevented from fully pursuing the interests of Pacific Justice Institute rather than his/her own separate or related-party interests.

Considering the period from January 1, 2018 to December 31, 2018:

	Yes*	No
1. I (or a party related to me) hold, directly or indirectly, a position of financial interest in an outside concern from which the organization secures goods or services.	_____	_____
2. I (or a related party of mine) render directive, managerial, or consultative services to, or am an employee of, any outside concern that does business with Pacific Justice Institute.	_____	_____
3. I have accepted gifts or other benefits from any outside concern that does, or is seeking to do, business with Pacific Justice Institute.	_____	_____
4. I have participated in management decisions concerning transactions that affect or benefit me, my family, or my personal financial interests (other than ordinary management decisions on employment matters such as compensation).	_____	_____
5. I (or a related party of mine) have been indebted to Pacific Justice Institute at some time during the above stated period. If so, please note the nature, date, terms, and amount.	_____	_____
6. Pacific Justice Institute has been indebted to me (or a related party of mine) at some time during the above stated period. If so, please note the nature, date, terms, and amount.	_____	_____

*If you answered "Yes" to any of these statements, please provide further explanation and information on any related-party transactions.

(Signature)

(Date)