

CommunityWorx
A Tennessee Non-profit Corporation

CONFLICT OF INTEREST POLICY

Article I
Purpose

The purpose of the conflict of interest policy is to protect the interest of CommunityWorx, a Tennessee non-profit corporation (the "corporation"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

1. Interested Person

Any director, officer, or member of the governing board or a committee with governing board delegated powers is an "interested person" if such director, officer or committee member, directly or indirectly:

- a. Has an ownership interest, investment interest or other material interest, whether directly with such individual or through business or family, in any entity with which the corporation has a transaction or arrangement;
- b. Has a compensation arrangement with the corporation, or with any entity or individual with which the corporation has a transaction or arrangement, whether such arrangement is directly with such individual or through business or family;
- c. Has a potential ownership interest, investment interest or other material interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement, whether such interest or arrangement is directly with such individual or through business or family; or
- d. Is a director, officer or trustee of another entity that is a party to the transaction or arrangement that the corporation is negotiating or considering.

2. Compensation

"Compensation" for purposes of this policy, includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

3. Conflict of Interest

A "conflict of interest" exists when an officer, director or committee member has a direct or indirect interest in a particular transaction or arrangement being negotiated or considered by the corporation, as determined by the governing board or committee with governing board delegated powers pursuant to Article III Section 2 below.

Article III
Procedures

I. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists with respect to the particular transaction that the corporation is negotiating or considering by determining if the interested person has a direct or indirect interest in that transaction. Notwithstanding the foregoing, such remaining board or committee members shall find that a conflict of interest exists if either: (a) the interested person himself or herself has an ownership interest, investment interest or other material interest in another entity that is a party to the transaction or arrangement being considered or negotiated; or (b) is a director, officer or trustee of another entity that is a party to the transaction or arrangement that the corporation is negotiating or considering.

3. Procedures for Addressing the Conflict of Interest

Once the Board has determined that a conflict of interest does exist with respect to an interested person and a particular transaction or arrangement, then the following procedures apply for approval of the transaction or arrangement:

- a. The interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during any discussions of and any votes on the transaction or arrangement involving the conflict of interest.
- b. The president of the governing board or chairperson of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest and for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement. Notwithstanding the foregoing, no committee, other than a committee consisting entirely of members of the board of directors, can approve, authorize, or ratify a transaction in which a conflict of interest exists pursuant to this Paragraph d.

4. Violations of the Conflicts of Interest Policy

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- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary; and corrective action.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to be interested persons, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. 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, and a record of any votes taken in connection with the proceedings.

Article V Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. A voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms that such person:

- a. Has received a copy of the current conflict of interest policy (the "Policy");
- b. Has read and understands the Policy;
- c. Has agreed to comply with the Policy; and

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- d. Understands the corporation is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII
Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

Board Member Name	Signature	Date
Kim Antonio, President		
Terri Bradshaw		
Debbie Byrd		
Sherri Riden, Treasurer		
Carol Lucas		
Tim Massie		
Susan Morton, Secretary		
Silvia Roca		
Russell Sharpe		

