

**Conflict of Interest Policy**  
**Ojai Valley News Foundation**  
**Adopted: December 2024**

## **I. Purpose**

The purpose of this Conflict of Interest Policy is to protect the integrity and public trust of the Ojai Valley News Foundation (“the Foundation”) when it considers entering into transactions or arrangements that might result in a personal financial benefit to any board member, officer, or key volunteer — including the volunteer Executive Director. This policy is designed to ensure full compliance with applicable federal and state nonprofit law, including **Internal Revenue Code §4958**, which prohibits “excess benefit transactions” involving disqualified persons.

This policy supplements, but does not replace, any applicable laws governing conflicts of interest for charitable organizations operating under Section 501(c)(3) of the Internal Revenue Code.

## **II. Definitions**

### **Interested Person**

Any director, officer, or volunteer who has substantial influence over the affairs of the Foundation and who has a direct or indirect financial interest in a transaction or arrangement under consideration.

### **Financial Interest**

A person has a financial interest if they, or a member of their family:

- a. Have an ownership interest in, are employed by, or serve in a leadership role (e.g., officer or director) with an entity that receives or seeks to receive financial support from the Foundation (e.g., through grants, contracts, or other disbursements); or
- b. Stand to receive a direct or indirect financial benefit from a decision made by the Foundation.

A financial interest does **not automatically** constitute a conflict of interest. A conflict exists only when the Board of Directors determines that the interest could improperly influence the decision-making process.

## **III. Volunteer Executive Director Clause**

The Foundation’s Executive Director may serve in a volunteer capacity and **receive no compensation or personal financial benefit** from the Foundation. If the Executive Director or

any other board member or volunteer is affiliated with an entity that is eligible to apply for or receive funding from the Foundation (such as a local media outlet), the following conditions shall apply:

- **The individual must disclose** the nature of the relationship to the Board in writing, in advance of any related discussion or decision.
- **The individual must fully recuse themselves** from any deliberation, discussion, recommendation, vote, or decision involving that entity's application, funding, or eligibility.
- The recusal shall be documented in the official meeting minutes, including the nature of the potential conflict and the procedure used to manage it.

This provision is designed to prevent actual conflicts of interest as well as the **appearance of impropriety**, and to ensure that any potential private benefit is incidental and outweighed by the Foundation's charitable purpose.

#### **IV. Procedures**

1. **Disclosure**

Any Interested Person must disclose the existence and nature of their financial interest to the Board of Directors or an authorized committee, prior to any discussion or decision regarding the matter.

2. **Recusal and Determination**

The Interested Person must withdraw from all discussions and voting on the matter. The remaining disinterested Board members shall determine, by majority vote, whether a conflict exists and whether the proposed transaction is fair, reasonable, and in the best interest of the Foundation.

3. **Documentation**

All disclosures, recusals, and decisions shall be recorded in the meeting minutes.

4. **Competitive Process**

To promote fairness and transparency, the Foundation will, when feasible, conduct an open or competitive application process for grantmaking, and will publicly disclose grant criteria, eligibility requirements, and awards.

#### **V. Violations**

If the Board has reason to believe that a Covered Person failed to disclose an actual or potential conflict, the Board shall notify that person and provide an opportunity to explain. If, after investigation, the Board determines that a violation occurred, it may take corrective action, including revocation of funding or reassessment of the individual's role within the organization.

## **VI. Annual Disclosure**

All directors, officers, and key volunteers shall annually sign a statement affirming that they:

- Have received and read this Conflict of Interest Policy;
- Understand and agree to comply with it; and
- Have disclosed any potential conflicts of interest that exist at the time of signing.

Adopted: 12.10.2024

/s/ Ljw

on file.