

WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL CONFLICT OF INTEREST POLICY

1. PURPOSE

The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of Women's Business Enterprise National Council ("WBENC") in connection with any transaction or arrangement that might benefit the private interests of any Covered Person, as defined below. This Policy provides (i) a systematic mechanism for disclosing and evaluating potential and actual conflicts; and (ii) procedures for the Executive Committee in considering any transaction or arrangement where a conflict may exist. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit corporations.

2. PERSONS COVERED BY THE POLICY

This policy addresses transactions and arrangements involving WBENC's directors, officers, members of any committee of WBENC's Board of Directors with authority to act on behalf of the Board of Directors, and WBENC's executive employees (e.g., President, Chief Financial Officer) and any other manager or supervisor identified by the Executive Committee or the President as exercising substantial influence over the operations of WBENC ("Covered Persons"). Every Covered Person shall sign a statement that affirms that he or she has received a copy of this Policy, has read and understands it, and has agreed to comply with it, and shall complete the questionnaire attached hereto disclosing his or her actual and potential conflicts of interest on an annual basis.

3. DUTIES OF COVERED PERSONS

- a. **Duty of Care.** Every Covered Person shall perform his or her duties for WBENC in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.
- b. **Duty of Loyalty.** Every Covered Person must act with loyalty to WBENC, meaning that no Covered Person may use his or her position with WBENC to make personal profit or gain other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to WBENC unless the Executive Committee determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.
- c. **Conflicts of Interest.** No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. Covered Persons should avoid both actual conflicts and the appearance of conflicts of interest. Every Covered Person shall:
 - (i) Disclose all actual and potential conflicts as set out below at Section 5; and
 - (ii) Recuse himself or herself from voting on any transaction or arrangement in which he or she has a potential or actual conflict of interest, and shall not be present when any such vote is taken.

4. CONFLICT OF INTEREST

- a. **Identifying a Potential Conflict.** A Covered Person may have a conflict of interest with respect to a transaction or arrangement involving WBENC whenever he or she, or any of his or her family members:
- (i) **Compensation.** Receives compensation directly or indirectly from WBENC and the transaction or arrangement involves such compensation (e.g., an WBENC employee has a conflict of interest with respect to the determination of his or her own compensation). Compensation for purposes of this Policy includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature;
 - (ii) **Financial Interest.** Has or anticipates having any financial interest, including an ownership interest, investment interest, or compensation arrangement, in or with any entity or individual that (i) sells goods or services to, or purchases services from, WBENC; or (ii) has any other transaction or arrangement with WBENC (e.g., a WBENC director who owns stock in a corporation that sells goods or services to WBENC may have a conflict of interest with regard to such sales transactions); or
 - (iii) **Management Role.** Serves or anticipates serving as a director, trustee or officer of, any entity or individual that either: (i) sells goods or services to, or purchases services from, WBENC; or (ii) has any other transaction or arrangement with WBENC; or
 - (iv) **Positions with Grant Applicants.** Has or anticipates serving as a director, trustee, or officer of any entity that receives or seeks grant funding from WBENC (a “Grant Applicant”); or
 - (v) **Financial Relationships with Grant Applicants.** Has or anticipates having any financial relationship, including as an employee or a paid consultant, to a Grant Applicant.
- b. **No Conflict.** A Covered Person does not have a conflict of interest if the Covered Person owns securities of a publicly traded company with which WBENC has a transaction or arrangement if:
- (i) Such securities are less than 5% of the outstanding securities of the publicly traded company; and
 - (ii) Their fair market value is less than 5% of the Covered Person’s annual gross income.

5. DISCLOSURE AND EVALUATION OF CONFLICTS

- a. **Disclosure.** Each Covered Person shall promptly and fully disclose all material facts of every actual or potential conflict of interest:

- (i) Existing at the time when he/she becomes a Covered Person;
- (ii) That arises while he/she is a Covered Person, at the time such actual or potential conflict arises; and
- (iii) Annually through the annual Conflict of Interest Questionnaire, a copy of which is attached hereto.

All disclosures shall be made to the President (who shall disclose his or her conflicts to the Executive Committee).

A Covered Person who is in doubt as to the existence of a conflict of interest is encouraged to disclose all facts pertaining to the transaction or arrangement before undertaking the transaction or arrangement or making any decision in the matter.

b. Evaluation.

- (i) The President shall disclose to the Executive Committee all conflicts of interest reported to him or her under this Policy. The Executive Committee will evaluate the disclosures and the material facts relating to the transaction or arrangement giving rise to the potential conflict of interest to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the transaction or arrangement. The Executive Committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (ii) A Covered Person who has an actual or potential conflict of interest shall not be present for or shall leave any portion of a meeting at which the Board of Directors or a committee is voting to determine whether a conflict exists, but may be present prior to the vote to make a presentation to the Board or committee, to disclose additional facts, or to respond to questions.
- (iii) In any case in which a Covered Person has a position as a director, trustee or officer of a Grant Applicant, the Executive Committee shall not be required to evaluate whether there is an actual or potential conflict of interest. The Covered Person who serves in such position shall not be present for and shall not participate (other than to answer questions raised by the disinterested directors or committee members) in any portion of a meeting of the Board of Directors or a committee appointed by the Board at which a grant to, or any other action concerning the Grant Applicant, is considered. This provision is intended to avoid conflicts in fiduciary obligations of the Covered Person owed to the Grant Applicant and to avoid any appearance of impropriety.

6. PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

- a. Formal Approval.** WBENC may enter into a transaction or arrangement in which a Covered Person has a conflict of interest if:

- i. The Covered Person has disclosed the conflict of interest in accordance with this Policy;
 - ii. A majority of directors who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board or committee meeting after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to WBENC and is in WBENC's best interest;
 - iii. Any Covered Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however, that any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement); and
 - iv. In any arrangement or transaction involving compensation, remuneration or other economic or financial benefit to the Covered Person, the Board of Directors relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to WBENC.
- b. Transaction Fair to WBENC.** It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to WBENC, furthers its tax-exempt purposes, and does not result in private inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

7. RECORDS OF PROCEEDINGS

- a. Content of Minutes.** The minutes of the Board of Directors or any committee of the Board for any meetings described above shall contain:

- (i) The names of the persons who disclosed an actual or potential conflict of interest or otherwise were found to have a conflict of interest;
 - v. the nature of the conflict of interest;
 - vi. any action taken to determine whether a conflict of interest was present;
 - vii. the Executive Committee's or committee's decision as to whether a conflict of interest in fact existed;
 - viii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement;
 - ix. the content of the discussion, including any alternatives to the proposed transaction or arrangement considered and any comparability data relied upon; and
 - x. a record of any votes taken in connection with the issue, transaction or arrangement.
- b. **Timing.** The minutes of any meeting described above shall be prepared by the later of the next succeeding meeting of the Board of Directors or committee, or sixty (60) days after the final action on the matter is taken by the Board of Directors or committee.

8. ENFORCEMENT

Each Covered Person shall sign a statement acknowledging that he or she has received a copy of this Policy, has read and understands it, and agrees to comply with it. If the Executive Committee has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the Executive Committee may counsel the Covered Person regarding such failure and, if the issue is not resolved to the Executive Committee's satisfaction, may consider additional corrective action as appropriate.

WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL
FORM 990 AND CONFLICT OF INTEREST QUESTIONNAIRE ¹

This questionnaire solicits information that the Women's Business Enterprise National Council ("**WBENC**") needs in order to complete its annual Form 990. It also requests disclosure of relationships, investments, and transactions that may lead to a conflict of interest, as required under WBENC's Conflict of Interest Policy.

All current and certain former officers, directors, and **key employees**, of WBENC must complete this form and return it to WBENC. Note that you are a current officer, director or **key employee** if you served at any time during the period from January 1, 2011 through December 31, 2011. You are a former officer, director, or **key employee** if you served at any time during the last 5 tax years of WBENC and you received from WBENC at least \$100,000 in reportable compensation in 2006-2010. You are a former director if you served at any time during the last five tax years of WBENC, and you received from WBENC at least \$10,000 in compensation in 2006-2010.

Current Directors, Officers and Key Employees: Please complete all parts of this form. Because some of the questions below ask about your relationships to other current officers, directors, and **key employees** of WBENC, we have listed all such individuals on the attached Exhibit A, for your convenience.

Former Directors, Officers, and Key Employees: You are required to complete only Part II (Business Relationships with WBENC) and Part III.A (Past Grants or Assistance from WBENC) of this form. All other sections may be left blank.

Please answer the questions *to the best of your knowledge*. Attach additional sheets if necessary to provide a complete response. Note that WBENC may require additional information to comply with its Form 990 disclosure obligations.

At Part V of this Questionnaire is a list of definitions to assist you in completing this Form. Defined words are **bolded** throughout this document.

NAME AND POSITION:

Your Name: _____

Position(s)/Status from January 1, 2011 through December 31, 2011:

(e.g., current officer, director, or **key employee** or former officer, director or **key employee**) List all that apply.

¹ (a) This questionnaire does NOT include questions about loans between WBENC and its current or former directors, officers, key employees, and related persons, under the theory that the organization will know whether any loans were outstanding at the end of the tax year and can conduct the necessary follow up to determine if the loans must be reported in Schedule L, Part II. (b) If the organization will not list any former directors, officers, or key employees on its Form 990, you may delete the references to "former" directors, officers, and key employees.

I. BUSINESS AND FAMILY RELATIONSHIPS AMONG DIRECTORS, OFFICERS, AND KEY EMPLOYEES

A. Business Relationships. During the time period from January 1, 2011 through December 31, 2011, did you have any of the following relationships with a person who was also a current director, officer, or **key employee** of WBENC listed on Exhibit A (a “**WBENC Supporter**”):

- 1) Both you and another WBENC Supporter were directors, trustees or officers of the same business or investment entity? [] YES [] NO
- 2) You and another WBENC Supporter each was a greater than 10% owner of the same business or investment entity? [] YES [] NO
- 3) You employed another WBENC Supporter or he/she employed you? [] YES [] NO
- 4) A company 35% owned by you employed another WBENC Supporter? [] YES [] NO
- 5) A company that you served as a director, trustee, officer, or **key employee** employed another WBENC Supporter? [] YES [] NO
- 6) You were employed by a company 35% owned by another WBENC Supporter? [] YES [] NO
- 7) You were employed by a company that another WBENC Supporter served as a director, trustee, officer, or **key employee**? [] YES [] NO
- 8) You had a **business transaction** (directly or **indirectly**) with another WBENC Supporter involving transfers of cash or property valued in excess of \$10,000?² [] YES [] NO

If you answered yes to any of the preceding questions, please describe the relationship and identify the entity and persons involved. If you answered “yes” to # 8, please also describe the **business transaction**.

B. Family Relationships. Please specify below any other current officer, director, or **key employee** of WBENC listed in Exhibit A with whom you have a **family** relationship.

Name	Relationship

² For purposes of this question, do **NOT** report the following transactions and relationships: (a) transactions occurring in the ordinary course of either party’s business on the same terms as are generally offered to the public (e.g., the purchase of a car from a dealership owned by another Corporation Supporter); (b) attorney-client relationships; (b) physician/psychologist-patient relationships; and (c) priest/clergy-penitent/communicant relationships.

II. BUSINESS RELATIONSHIPS WITH WBENC

A. Past Business Relationships with WBENC

During the time period from January 1, 2006 through December 31, 2010, did any of the following persons make a payment to or receive a payment from WBENC in connection with a **business transaction**:

- 1) You? YES NO
- 2) Any of your **family members**? YES NO
- 3) An entity owned 35% by you and/or your **family members**? YES NO
- 4) Your employer? YES NO
- 5) Any organization you served as a director, trustee or officer? YES NO
- 6) Any professional corporation or entity taxable as a partnership in which you have an ownership interest exceeding 5%? YES NO

If you answered yes to any portion of this question, please provide the name of the person or involved organization, the amount of money involved and the nature of the transaction.

B. Prospective Business Relationships with WBENC

- 1) Do you expect to enter into a **business transaction** with WBENC in the upcoming year? YES NO
- 2) Name of your employer (if employed): _____
Do you expect your employer to enter into a **business transaction** with WBENC in the upcoming year? YES NO N/A
- 3) Do you expect any of your **family members** to enter into a **business transaction** with WBENC in the upcoming year? YES NO
- 4) Do you own or have a significant interest in any company that you expect to enter into a **business transaction** with WBENC in the upcoming year? YES NO
- 5) Do any of your **family members** own or have a significant investment interest in a company that you expect to enter into a **business transaction** with WBENC in the upcoming year? YES NO

If you answered yes to questions 1 through 5, please identify the persons and/or companies involved and the nature of the **business transaction**.

6) Do you, or does any **family member**, serve as an officer, [] YES [] NO
 director, trustee, manager, consultant or similar position, whether paid
 or unpaid, for any organization that you expect will enter into a
business transaction with WBENC in the upcoming year? If so,
 please complete the chart below.

If you answered yes to question 6, please identify the persons and/or organizations involved, the position that you or your **family member** holds at the organization, and the nature of the **business transaction**.

<u>Your Name /Family Member Name</u>	<u>Name of Organization</u>	<u>Named Individual's Position</u>	<u>Nature of Transaction/ Organization's Business</u>
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III. GRANTS ASSISTANCE PROVIDED BY WBENC

A. **Past Grants or Assistance from WBENC**

During the time period from January 1, 2006 through December 31, 2010, did any of the following persons receive a grant (e.g., scholarships, prizes, awards, or part-gift-/part-sale transactions) or other assistance (e.g., cash, goods, services, or provision of facilities) from WBENC:

- a) You? [] YES [] NO
- b) Any of your **family members**? [] YES [] NO
- c) An entity owned 35% by you and/or your **family members**? [] YES [] NO

If you answered yes to any portion of this question, please provide the name of the person or entity that received the grant or assistance and the nature and/or amount of the grant or assistance provided.

B. **Relationships with Prospective Grantees and Grant Applicants**

Do you and/or any of your **family members** serve as a director, trustee, officer, employee, or paid consultant of any organization that currently receives or seeks, or is anticipated to receive or seek, grant funding from WBENC? [] No [] Yes

If yes, please identify the organization(s) and the position that you and/or your **family member** holds at the organization(s).

IV. COMPENSATION FROM RELATED ORGANIZATIONS

During the time period from January 1, 2006 through December 31, 2010, did you receive any compensation from a **related organization** as an officer, employee, or independent contractor? (To help you answer this question, a list of WBENC’s **related organizations** is provided in Exhibit B.)

No Yes

If yes, please identify the **related organization(s)** and the nature of your relationship with the **related organization(s)**, including the amount of compensation that you received.

V. DEFINITIONS

“Business Transactions” include but are not limited to contracts of sale, leases, licenses, performance of services (whether initiated during the tax year or ongoing from a prior year), and joint ventures (whether new or ongoing) in which either the profits or capital interest of the organization and the interested person each exceeds 10% of the joint venture. Business transactions don’t include charitable contributions.

“Family members” include spouses, ancestors, brothers or sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren, or spouses of brothers, sisters, children, grandchildren, or great-grandchildren.

“Indirectly” – Indirect transactions are transactions with an organization with respect to which you or the other person is/was associated as a trustee, director officer, key employee, or greater-than-35% owner. For example, a transaction between the company in which you have a 35% ownership interest and WBENC is an indirect transaction between you and WBENC

A **“key employee”** is an employee who satisfies each of the following three tests: (1) has reportable compensation from the organization and related organizations of at least \$150,000 (the **“\$150,000 test”**); (2) has responsibilities, power, or influence over the entire organization similar to a director or officer; OR manages a segment or activity representing at least 10% of the organization’s activities, assets, income, or expenses; OR has or shares authority to control/determine 10% or more of the organization's capital expenditures, operating budget, or employee compensation (the **“responsibility test”**); and (3) is one of his/her employer’s top 20 highest paid persons for the year who satisfied both the \$150,000 test and the responsibility test (**“top 20 test”**). Management companies and similar entities that are independent contractors with respect to the organization should not be treated as key employees.

“Ownership” is measured by stock ownership (either voting power or value) of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a nonprofit organization, or beneficial interest in a trust. Ownership includes indirect ownership (*e.g.*, ownership in an entity that has ownership in the entity in question).

A **“related organization”** is an organization that stands in one or more of the following relationships to WBENC: parent, subsidiary, brother/sister organization, or supporting/supported organization. WBENC’s **related organizations** are listed in Exhibit B to this questionnaire.

EXHIBIT A
Officers, Directors, and Key Employees

Current Officers, Directors, and Key Employees

Below is a list of the current officers, directors, and **key employees** of WBENC. Note that current officers, directors and **key employees** include any one who served in such capacity at any time from January 1, 2011 through December 31, 2011.

Name	Title (Officer, Director and/or Key Employee)
See Attached Board Directory and Officer List	
Key Employees:	
Pamela Prince-Eason	President and CEO as of April 1, 2011
Linda Denny	President and CEO
Lynn Quinn	COO
Susan Prado	Vice President
Cristy McCullough	Assistant Vice President

Former Officers, Directors, and Key Employees

[DELETE THIS IF NONE WILL BE LISTED IN THE FORM 990]

Below is a list of the former officers, directors, and **key employees** of WBENC who will be listed in WBENC's Form 990 because they received, during the tax year from January 1, 2006 through December 31, 2011, compensation exceeding certain thresholds.³ Such individuals must complete Part II and Part III.A of this questionnaire. Note that former officers, directors and **key employees** include anyone who served in such capacity at any time during the last 5 tax years of WBENC, but did not serve in any such capacity from January 1, 2011 through December 31, 2011.

Name	Title (Former Officer, Director and/or Key Employee)
Susan Phillips Bari	President, WBENC
Linda Denny	President, WBENC
Susan Prado	Vice President, WBENC

³ Former **officers** and **key employees** must be listed if they received over \$100,000 of reportable compensation from WBENC during the calendar year ending with or within WBENC's tax year. **Former directors** must be listed if they received over \$10,000 of reportable compensation from WBENC during the calendar year ending with or within WBENC's tax year. Reportable compensation generally includes only compensation required to be reported on a W-2 or Form 1099.

EXHIBIT B
Related Organizations

[insert list]

ACKNOWLEDGMENT AND SIGNATURE

To the best of my knowledge and belief, the above information is true and accurate.

DATED this ____ day of _____, 20__.

By: _____

Print Name: _____

RETURN THIS COMPLETED QUESTIONNAIRE (6 PAGES) AND EXHIBIT A OR EXHIBIT B IF USED, TO:

havery@wbenc.org

Or:
Pamela Prince-Eason
President and CEO
WBENC
1120 Connecticut Avenue Suite 1000
Washington DC 20036

Or fax: 202-872-5505

*If you have any questions regarding this form, please contact:
Pamela Prince-Eason, President & CEO: 202-872-5516
Lynn Quinn, COO: 202-872-5517*