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CONFLICT OF INTEREST POLICY AND AGREEMENT FOR DIRECTORS AND STAFF OF THE COMMUNITY ACTION AGENCY

It is important for Community Action Agency ("CAA") Directors and Staff to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of CAA and that the appearance of conflict can be troublesome even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with CAA should be expected to have, and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations a person will sometimes owe identical duties of loyalty to two or more organizations.

Conflicts are undesirable because they potentially or apparently place the interests of others ahead of CAA's obligations to its charitable purposes and to the public interest. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties. However, the long range best interests of CAA do not require the termination of all association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

Therefore, because CAA's Directors and Staff may be involved with other organizations that may have business dealings or affiliations with or seek grants from CAA, the following general principles have been established:

1 Each member of the Board of Directors and the Staff of CAA has a duty of loyalty to CAA. The duty of loyalty generally requires a Director or staff member to prefer the interests of CAA over the director's/staff's interest or the interests of others. In addition, Directors and staff of CAA shall avoid acts of self-dealing which may adversely affect the tax-exempt status of CAA or cause there to arise any sanction or penalty by a governmental authority.

2 In the event any Director or a member of his or her family has a personal or business interest in, or is involved in any way with, an organization with whom the Board is considering a grant request or business contract, such interest or involvement shall be disclosed to the Board. In such event, the interested Director shall neither vote nor participate in the discussion of the matter. The interested Director shall be excused from the actual discussion and presence at that portion of the meeting when the matter giving rise to the apparent conflict is discussed. However, any Director who is excluded from voting or presence pursuant to this policy may answer pertinent questions of other Directors and be present when the interested Director's knowledge regarding the matter will assist the Board.

3 The minutes of the meeting shall indicate that the interested Director disclosed the interest or involvement in the matter being considered by the board, recused herself/himself from the discussion, and abstained from voting on the matter.

I HAVE READ AND UNDERSTAND THE FOREGOING CONFLICT OF INTEREST POLICY AND AGREEMENT, I AGREE TO ITS TERMS, AND MY ACTIONS HAVE BEEN AND WILL CONTINUE TO BE GUIDED THEREBY.

_____ Community Action Agency, Inc.

Date

_____Director's Name

_____Director's Signature