

RUSSELL SAGE FOUNDATION

RESOLUTIONS OF THE BOARD OF TRUSTEES Conflict of Interest Policy*

WHEREAS the varied interests and backgrounds of the Trustees, Officers, and Executives (as defined below) of the Russell Sage Foundation (the “Foundation”) could result in situations where the giving of service involved a dual interest which might be interpreted as a conflict of interest; and

WHEREAS, the service of such Trustees, Officers, and Executives (“Executives” being defined as persons who may exercise substantial influence over the affairs of the Foundation within the meaning of Section 4958(f)(1)(A) of the Internal Revenue Code of 1986, as amended, and Section 53.4958-3(c), (d) and (e) of the Treasury Regulations) should not be rendered impossible solely by reason of duality of interest or possible conflict of interest; and

WHEREAS, as a general rule, duality of interest or possible conflict of interest on the part of such Trustees, Officers and Executives can be controlled by full disclosure of any such interest, by the abstention from voting or participating in deliberations, and in some cases, by review of alternative transactions, on any matter where any possible conflict of interest is or might be thought to be involved; and

WHEREAS, more specific rules are deemed to be advisable (and in some cases, are required) to govern the activities of Trustees, Officers and Executives in connection with the scholarly program of the Foundation; now therefore be it

RESOLVED: that the policy concerning possible duality of interest or conflict of interest on the part of Trustees, Officers and Executives attached hereto as Exhibit A is hereby adopted.

Exhibit A

Conflict of Interest Policy

All Trustees, Officers and Executives of the Russell Sage Foundation (the “Foundation”) shall scrupulously avoid any conflict between their own respective individual interests and the interests of the Foundation in any and all actions taken by them on behalf of the Foundation in their respective capacities.

* As adopted March 11, 1985; and as revised February 17, 1999; February 21, 2001; November 8, 2002; June 19, 2014.

When a project, application, transaction, or other arrangement comes before the Board of Trustees of the Foundation (the “Board”) or the Committee, as defined below, in which:

1. A Trustee, Officer, or Executive¹,
2. A close family member² of a Trustee, Officer, or Executive,
3. Any entity or trust of which a Trustee, Officer, Executive, or close family member thereof serves as a director, trustee, officer, or employee,
4. Any entity or trust in which a Trustee, Officer, Executive, or close family member thereof has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%,
5. Any other entity or trust in which a Trustee, Officer, Executive or close family member thereof has a material financial interest; or
6. A department member or close colleague of a Trustee, Officer, or Executive, is an applicant for, a proposed participant in, or has any other direct or indirect interest in such arrangement,

the relevant Trustee, Officer, or Executive shall advise the Board of the conflict or potential conflict and fully recuse him or herself from discussion and action regarding the arrangement.

Full recusal requires disclosing the potentially conflicting interest, taking no part in the discussion except in response to questions from the Board, taking no part in voting, and, except when one’s presence is necessary to respond to questions from the Board or Committee members, as set forth below, leaving the room in which discussion and voting is being held.

In addition, before approving the arrangement, the Board must determine that the arrangement is fair, reasonable, and in the best interest of the Foundation, and, with respect to transactions involving persons identified in numbers 1 through 5 above, must obtain and rely on comparable market data, to the extent available, in making this determination.

¹ “Executive” means any person who may exercise substantial influence over the affairs of the Foundation within the meaning of Section 4958(f)(1)(A) of the Internal Revenue Code of 1986, as amended, and Section 53.4958-3(c), (d) and (e) of the Treasury Regulations.

² “Close family member” includes a person’s ancestors, siblings and half-siblings, spouses of siblings and half-siblings, spouse or domestic partner, children, grandchildren, great-grandchildren, and spouses of children, grandchildren, and great-grandchildren. See N.Y. Public Health Law Section 2994-A for the definition of “domestic partner.”

If the Board determines that one of the persons identified in numbers 1 through 5 above has a “substantial financial interest” in the arrangement (within the meaning of New York law), or if the Board determines that the arrangement is material to the financial, reputational, or other interests of the Foundation, the Board must consider alternative arrangements, to the extent available.

The foregoing requirements should not be construed to prevent a particular Trustee from answering pertinent questions at the request of other Trustees by reason of the fact that personal knowledge on the matter may be of assistance to the other Trustees in reaching their decision.

The following additional requirements shall govern the activities of Trustees, Officers, and Executives in connection with scholarly projects funded by the Foundation:

1. Trustees, Officers, and Executives may not be Visiting Scholars, Principal Investigators of a funded project, Authors/Editors of a Foundation book, or compensated participants in a funded project.
2. Trustees may serve with compensation in an advisory capacity as members of the Board in connection with any and all Foundation projects (provided that no person who may benefit from compensation in any capacity other than as a Board member may be present at or participate in any vote concerning such compensation); and Trustees, Officers, and Executives may serve in an uncompensated way as members of a Foundation Working Group.

There will be a Conflict of Interest Committee (the “Committee”), which shall consist of the Chair of the Board and several members of the Board designated by the Chair. The members of the Committee will be “independent directors” within the meaning of New York law. The Committee will have the power to interpret these policies in individual cases and to grant exceptions to them, pursuant to the requirements set forth above (provided that if the Committee determines that an arrangement is material to the financial, reputational, or other interests of the Foundation, the Committee must promptly notify the Board of this determination and may condition its approval of the arrangement on the further review, approval, endorsement, or other input of the Board) and will review the adequacy of these policies on a regular basis.

A copy of this policy shall be furnished to each Trustee, Officer, and Executive who is presently serving the Foundation or who may hereafter become associated with the Foundation, and prior to the initial election, appointment, or hiring of any Trustee, Officer, or Executive and annually thereafter, each such person must complete, sign, and submit to the Secretary of the Foundation a written disclosure statement identifying to the best of his or her knowledge:

1. Any entity or trust of which such person is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee, and with which the Foundation has a relationship;

2. Any transaction in which the Foundation is a participant and in which the person (or any person listed in numbers 2 through 5 above as to that person) might have a conflicting interest; and
3. Any other interests that could give rise to a conflicting interest.

Notwithstanding the procedures outlined in this policy, the Foundation may not approve or engage in any transaction, agreement, or other arrangement that would constitute an act of “self-dealing,” as defined in Section 4941 of the Internal Revenue Code of 1986, as amended.

The Board will review this policy annually for the information and guidance of Trustees, Officers and Executives, and any new Trustees, Officers or Executives will be advised of the policy upon undertaking the duties of such office.

My signature on this document attests that I have reviewed and understand the Conflict of Interest Policy.

Please PRINT name

Signature

Date

adopted June 2014