

LOUISVILLE AFFORDABLE HOUSING TRUST FUND BOARD

CODE OF ETHICS

adopted 12/13/11

The Board of Directors has adopted the following ethics policy for its board members and committees. This policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.

A. BOARD RESPONSIBILITIES

The general duties for directors are to enforce the organization's governing documents, collect and preserve the organization's financial resources and to insure the organization's assets against loss. To fulfill that responsibility, directors must:

- regularly attend board meetings,
- review material provided in preparation for board meetings,
- review the organization's financial reports,
- make reasonable inquiry before making decisions, and
- respond to member inquiries

B. PROFESSIONAL CONDUCT

In general, directors and committee members must conduct all dealings with vendors/clients and employees with honesty and fairness, and safeguard information that belongs to the organization.

1. Private Gain. Self-dealing occurs when directors or committee members make decisions that materially benefit themselves or their relatives. "Relatives" include a person's spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, grand-parents, nieces, nephews and anyone who shares the person's residence. Benefits include money, privileges, special benefits, gifts or other item of value. Accordingly, no director or committee member may:

- solicit or receive any compensation from the organization for serving on the board or any committee,
- make promises to vendors/clients unless with prior approval from the board,

- solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a person or company who is seeking a business or financial relationship with the organization,
- seek preferential treatment for themselves or their relatives,
- use organization property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all members of the organization.

2. Confidential Information. Directors and committee members are responsible for protecting the organization's confidential information. As such they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized or legally mandated, no director or committee member may disclose confidential information. Confidential information includes, without limitation:

- private personal information of fellow directors and committee members,
- private personnel information of the organization's employees,
- disciplinary actions against members of the organization,
- legal disputes in which the organization is or may be involved--directors may not discuss such matters with persons not on the board without the prior approval of the organization's general counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and result in the loss of confidential information.

3. Accuracy of Information. Directors and committee members may not knowingly misrepresent facts. All organization data, records and reports must be accurate and truthful and prepared in a proper manner

4. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, committee members and directors shall observe the following guidelines:

- The president of the board shall serve as liaison between the board and management and provide direction on day to day matters.
- Except for the president, committee members and directors may not give direction to management, employees or vendors.
- If directors or committee members are contacted by employees with complaints, the employees shall be instructed to contact management or the board as a whole.

- No director may threaten or retaliate against an employee who brings information to the board regarding improper actions of a director or committee member.
- Directors and committee members are prohibited from harassing or threatening employees, vendors, directors, committee members, and owners, whether verbally, physically or otherwise.

5. Professional Behavior. Directors and committee members are obligated to act with proper decorum. Although they may disagree with the opinions of others on the board or committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, directors and committee members must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward employees, managing agents, vendors and members of the organization. Directors shall act in accordance with board decisions and shall not act unilaterally or contrary to the board's decisions.

C. WHEN CONFLICTS ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors and committee members should immediately raise such situations with the board. If appropriate, the board will seek guidance from the organization's legal counsel.

1. Disclosure & Abstain. Directors and committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in decisions in which they have a material interest.

2. Violations of Policy. Directors and committee members who violate the organization's ethic's policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- censure,
- removal from committees,
- removal as an officer of the board,
- request for resignation from the board,
- legal proceedings.

Prior to taking any of the actions described above, the board shall appoint a committee to investigate the violation. The committee shall review the evidence of violation, endeavor to meet with the director/committee member believed to be in violation, confer with the organization's legal counsel if appropriate, and present its findings and recommendations to the board for appropriate action. The board shall endeavor to meet with the director/committee member in executive session prior to imposing disciplinary action against that person.