

Multidisciplinary Academic Grants in Cryptocurrencies
Conflict of Interest Policy
Updated 2021-11-29

Article I

Purpose

The purpose of the conflict of interest policy is to protect **Multidisciplinary Academic Grants in Cryptocurrencies'** (hereby referred to as the Organization), a nonprofit organization, interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

The Organization may require an interested person to submit identifying documents (eg: SSN/ITIN, government-issued ID) to assist with the enforcement of this policy.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article IX

Special Notes for Advisory Committees

Advisory committee members (including MAGIC Fund committee members) must follow all of the above Articles. Further, the Organization shall impose the following requirements and clarifications:

- a. Serving committee members and entities in which a serving committee member is an officer or director or otherwise has a financial interest are ineligible to submit a new grant application to the committee.
- b. A person who has submitted a grant application (or is an officer or director or otherwise has a financial interest in an entity that has submitted a grant application) on which the committee has not yet rendered a decision is ineligible to serve as a committee member (unless the grant application is withdrawn).
- c. A person who is a current grant recipient (or a person who is an officer or director or otherwise has a financial interest in an entity that is a current grant recipient) is eligible to serve on the committee so long as the decision to accept their grant application was made before they began serving as a member of the committee.
- d. Grant milestone payout decisions that relate to a serving committee member's grant (or a grant awarded to an entity in which a serving committee member has a financial interest) will be taken by the executive director or other officer of the Organization.
- e. Before taking their seat on the committee, newly-elected committee members will be required to complete a conflict of interest questionnaire. Additionally, serving committee members will be required to notify the Organization of any new conflicts of interest that develop or emerge during their tenure.

Conflict of Interest Questionnaire

Name:

Date:

Position:

I affirm the following:

- I have received a copy of the Multidisciplinary Academic Grants in Cryptocurrencies (MAGIC Grants) Conflict of Interest Policy _____ (initial)
- I have read and understand the policy _____ (initial)
- I agree to comply with the policy _____ (initial)
- I understand MAGIC Grants is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes _____ (initial)
- I understand MAGIC Grants may require identifying documents from me to assist with the enforcement of this Conflict of Interest policy _____ (initial)

Please list any financial interests (current or potential) as defined in the Conflict of Interest policy:

Signature

Multidisciplinary Academic Grants in Cryptocurrencies

Adoption of Conflict of Interest Policy

The Board of Directors has received a copy of, read and understood, and agreed to comply with the terms and conditions of the conflict of interest policy.

Approved and accepted on November 29, 2021.



President, Justin Ehrenhofer



Vice President, John Murphy



Secretary/Treasurer, Matt Shroyer