

The Ford Foundation
Trustee Code of Ethics

The public purpose and tax exempt status of charitable organizations includes an obligation to maintain the public trust. The Ford Foundation has always taken this obligation very seriously and strives to set an example for the field of philanthropy in all of its activities. Accordingly, it is incumbent upon the members of the Board of Trustees to conduct the affairs of the Foundation with a commitment to the highest standards of integrity. This includes acting at all times in an honest and ethical manner, in compliance with all laws and regulations and avoiding actual, potential or apparent conflicts of interest. Compliance with this Code of Ethics will sustain a culture where honest and ethical conduct is recognized, valued and exemplified throughout the Foundation.

It is expected that Trustees will be involved in important activities and worthwhile causes outside of the Foundation. The experience of Trustees who serve as directors or officers of for profit and nonprofit organizations enables them to provide special knowledge and perspective to the Foundation in its grantmaking and governance processes. Good governance requires full disclosure. The disclosure requirements of this Code of Ethics are intended to prevent any real or apparent conflicts of interest.

Compliance with Laws and Regulations

A variety of laws apply to the Foundation, the violation of which may carry civil or criminal penalties for the Foundation and/or the individual. It is the responsibility of each Trustee to comply with all such laws and regulations.

Avoidance of Actual, Potential or Apparent Conflicts of Interest

When performing the functions of a Trustee, Trustees have an obligation to put the interests of the Foundation first. A potential or actual conflict of interest exists when a Trustee, or an immediate family member (defined for purposes of this Code as a spouse or domestic partner, parents, children, siblings and in-laws) of a Trustee, or a group or organization of which the Trustee holds a material financial interest or is an officer, trustee or employee, may be seen as competing with the interests or concerns of the Foundation.

Trustees have a duty not to use their position as Trustee for personal financial gain or other personal benefit. In addition, each Trustee has a duty to disclose to the Board the material facts of any proposed matter in which the Trustee has an actual or potential conflict of interest prior to its consideration by the Board. The Trustee having the conflict is required to recuse him or herself from consideration of the matter and, if requested, must leave the room during its consideration. The disclosure of the conflict and the deliberation of the Trustees without participation by the interested Trustee will be reflected in the minutes.

Grants

The process of grantmaking is expected to be free from actual, potential or apparent conflicts of interest. As a general matter the approval of grants has been delegated by the Board to the President and to senior program staff. Nonetheless, in addition to the conflict of interest rules set forth above, the following special rules apply to Trustees with respect to grants to organizations with which Trustees are associated in the capacity of officer, trustee or employee or for which the Trustee may directly receive material financial benefit (“Affiliated Grants”):

- (a) Affiliated Grants should be assessed by the same standards as are applied to grants to other organizations;
- (b) The consideration of Affiliated Grants shall comply with the provisions of Article II, Section 4(i) of the Foundation's By-laws, which provides:

“During the consideration of a proposed grant or appropriation by the Board of Trustees or a committee thereof, any Trustee who is an officer, director, trustee, member or employee of the prospective beneficiary shall withdraw from the meeting when the vote is taken, but his withdrawal shall not be deemed to affect the existence of a quorum”;
- (c) All Affiliated Grants shall be reviewed and approved by the Audit Committee in accordance with procedures adopted by that Committee;
- (d) Affiliated Grants shall be specifically brought to the attention of the Board of Trustees in the Docket of the meeting following the grant approval, and the Docket shall (i) identify the Trustee concerned and his or her relationship to the organization, and (ii) confirm that the Trustee was not involved in the negotiation of the grant; and
- (e) A complete list of all Affiliated Grants and their amounts shall be provided to the Board after the end of each fiscal year.

In addition, to assure the effective implementation of these procedures, each Trustee should inform the Secretary of the Foundation at least once annually of all organizations with which he or she is associated as an officer, trustee or employee, and in addition should report to the Secretary any changes in such associations that may occur during the course of the year. These associations will be disclosed to the Audit Committee regularly and to the full Board annually.

Investments

As a general matter, the Foundation's investment decisions have been delegated by the Board to the President and to senior investment staff. Accordingly, the Board as a matter of practice does not make specific investment decisions. Nonetheless, Trustees have a duty not to engage in any investment activity that conflicts with the Foundation's interests and a duty not to derive personal financial benefit through the use of special knowledge or privileged information acquired through their service as Trustees. Trustees may not communicate any information known to them by reason of their position as a Trustee that has not been made public and may not at any time use such information to private advantage. No Trustee may effect any transaction in a security, or recommend any transaction in a security or other financial interest, if such transaction would in any way conflict with, or be detrimental to, the interests of the Foundation. Furthermore, no Trustee may effect any transaction in a security, or recommend such a transaction, on the basis of confidential or privileged information with respect to the Foundation's investments.

Gifts and Other Payments

Except for gifts of nominal value or meals and social invitations that are in keeping with good business ethics and do not obligate the recipient, Trustees and their immediate family members may not accept commissions, gifts, payments, entertainment, services, loans or promises of future benefits from any person or entity relating to his or her Foundation service.

Prompt Internal Reporting of Violations of this Code

If a Trustee violates or thinks he or she has violated any provision of this Code, or if a Trustee observes, learns of or, in good faith, believes it is possible that another Trustee has violated any provision of this Code, that Trustee must immediately report the actual or suspected violation to the Chair or to the Board as a whole. The Board has an obligation to investigate, address promptly and treat as confidential, to the extent possible, all reported violations of this Code of Ethics.