

SECTION 500 BOARD GOVERNANCE

500.1 CODE OF ETHICS

Preamble

In adopting the hereinafter set forth Code of Ethics Policy, the Board of Directors emphasizes that because CREF is a small organization without paid staff, many of the policies and standards are necessarily inapplicable at this time. However, these policies set forth aspirational goals to which this organization should aspire without creating unnecessary paperwork or administrative roadblocks to effective CREF actions.

Article I

Personal and Professional Integrity

All staff, board members and volunteers of the Organization (hereinafter called "CREF") act with honesty, integrity and openness in all their dealings as representatives of CREF. CREF promotes a working environment that values respect, fairness and integrity.

Article II

Mission

CREF has a clearly stated mission and purpose, approved by the Board of Directors, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of CREF understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by CREF and of value to the society at large.

Article III

Governance

CREF has an active governing body that is responsible for setting the mission and strategic direction of CREF and oversight of the finances, operations and policies of CREF. The governing body:

- Ensures that its board members or trustees have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties acting for the benefit of CREF and its public purpose;
- Has a conflict of interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means; and
- Is responsible for the hiring, firing, and regular review of the performance of the chief executive officer, and ensures that the compensation of the chief executive officer is reasonable and appropriate.

- Ensures that the CEO and appropriate staff provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties;
- Ensures that CREF conducts all transactions and dealings with integrity and honesty;
- Ensures that CREF promotes working relationships with board members, staff, volunteers and program beneficiaries that are based on mutual respect, fairness and openness;
- Ensures that CREF is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;
- Ensures that policies of CREF are in writing, clearly articulated and officially adopted;
- Ensures that the resources of CREF are responsibly and prudently managed; and
- Ensures that CREF has the capacity to carry out its programs effectively.

Article IV **Legal Compliance**

CREF shall to the best of its ability be knowledgeable of and comply with all laws and regulations affecting its mission and conduct.

Article V **Responsible Stewardship**

CREF shall manage its funds responsibly and prudently. This should include the following considerations:

- It spends a reasonable percentage of its annual budget on programs in pursuance of its mission;
- It spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
- CREF, if soliciting funds, should have reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs;
- CREF should prudently draw from endowment funds consistent with donor intent and to support the public purpose of CREF;
- CREF should ensure that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of CREF.; and
- All financial reports are factually accurate and complete in all material respects.

Article VI
Openness and Disclosure

CREF provides comprehensive and timely information to the public, the media, and all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about CREF will fully and honestly reflect the policies and practices of CREF. Basic informational data about CREF such as Form 990, reviews and compilations and audited financial statement will be posted on CREFs website, if obtained, or otherwise available to the public. All solicitation materials accurately represent CREFs policies and practices and will reflect the dignity of program beneficiaries. All financial, organizational, and program reports will be complete and accurate in all material respects.

Article VII
Program Evaluation

CREF regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. CREF is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities and the field. CREF is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

Article VIII
Inclusiveness and Diversity

CREF has a policy of promoting inclusiveness and its staff, (if any) board and volunteers reflect diversity in order to enrich it programmatic effectiveness. CREF take meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment and constituencies served.

Article IX
Fundraising

CREF, as it raises funds from the public or from individual donors, will be truthful in its solicitation materials. CREF will respect the privacy concerns of individual donors and expend funds consistent with donor intent. CREF will disclose important and relevant information to potential donors.

Adopted by the Board of Directors of the Cupertino Rotary Endowment Foundation on this 20th day of May, 2009

Darryl A. Stow, Secretary

Adopted May 20, 2009