CONFLICT OF INTEREST POLICY FOR NON-STAFF BOARD MEMBERS

Document Information

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INTRODUCTION

The purpose of this Conflict of Interest Policy is to protect the Society's tax-exempt status by preventing excess

benefit transactions and ensuring that the Society engages primarily in activities that achieve one or more of its tax-exempt purposes. This policy is intended to supplement state and federal laws governing conflicts of interest that are applicable to nonprofit and charitable organizations as well as the Society's code of ethics.

The Society expects all members of its Board of Directors ["Board Members"] to conduct business according to the highest ethical standards of conduct. Board Members are expected to devote their best efforts to the interests of the Society. Business dealings that create or appear to create a potential for personal Board Member gain - or a conflict between the interests of a Board Member and the interests of the Society - are unacceptable. Vigilance on the part of all Board Members is required to ensure the Board meets the requirements of this policy and of the Board's legal duties of loyalty.

The Society recognizes that Board Members engage in activities of a private nature and unrelated to the Society’s business.

A potential or actual conflict of interest occurs whenever a Board Member is in a position to influence a decision that may result in indirect or direct personal gain for any of the following:

- the Board Member.
- an immediate family member (i.e., spouse or significant other, children, parents, siblings, in-laws, or business associates of any of the foregoing).
- a business associate, personal friend, or favorite charity.
- a competing organization with whom the Board Member is affiliated as a result of the Society’s business dealings.

Although it is not possible to specify every action that may create a conflict of interest, this policy sets forth examples of some of the most frequently presented problems. A Board Member should immediately contact the Executive Director or the chair of the Executive Committee to obtain advice if there is any question whether an action or proposed course of conduct would create a conflict of interest - even if the action or proposed course of conduct does not involve the Board Member directly. The purpose of this policy is to protect all Board Members and the Society from any real or perceived conflict of interest that might arise.

Objective

The objective of the Society's Conflict of Interest Policy is to establish a method for identifying and avoiding potential conflicts of interest.

Reporting Responsibility

Each member of the Board of Directors will disclose in writing any potential, proposed, or actual direct or indirect arrangement, agreement, investment, or other activity the Board Member has with any of the following:

- the Society (outside their normal board duties).
- any vendor, supplier, or other party doing business with the Society.
- any organization competitive to the Society with whom the Board Member is affiliated.

Each Board member will disclose in writing any potential, proposed, or actual personal interest that:

- the Board Member
- a Board Member's immediate family member (as described above), business associate, personal friend, or favorite charity, or
- a competing organization with whom the Board Member is affiliated

has or may have in any matter concerning the Society or that is pending or may be pending before the Board of Directors, as soon as the potential conflict is known and prior to any action being taken by the Board on such matters.

Each Board Member will annually sign a statement provided by the Society that affirms the individual (1) has received a copy of the Conflict of Interest Policy; (2) has read and understands the policy; (3) has agreed to comply with the policy and (4) has disclosed any potential conflicts of interest the Society should be aware of.

Examples of Prohibited Activities

- No Board Member who has a personal interest in any matter pending before the Board will participate in any discussion of or any decision on any matter in which the Board Member has a personal interest.
- No Board member will participate in the discussion of or any decision on any matter in which an immediate family member has a personal interest.
- No Board Member who also is an officer, board member, committee member, staff member, or consultant to a vendor of the Society will participate in any discussion or decision affecting the vendor.
- No Board Member who has an immediate family member who is an officer, board member, committee member, staff member, or consultant to a vendor of the Society will participate in any discussion or decision affecting the vendor.
- No Board Member will advocate for their own personal interest or seek to influence other Board Members on any matter that may result in indirect or direct personal gain.
- No Board Member will receive or seek to receive, directly or indirectly, any salary payments, loans, or gifts of any kind, any free service or discount, or other fees from the Society or from or on behalf of any person or organization engaged in any transaction with the Society. This policy does not prohibit Board Members from receiving any free service or discount that is already made available to all members of the Society or to the public at large or from obtaining a loan on terms available to all members of the Society or to similarly situated members of the public at large.
- No Board Member will be employed by the Society or by an organization that is or is seeking to do business with the Society, including actual or potential vendors or customers.

- No Board Member will attempt to use the Society's time or facilities to further any personal belief or to convince others of their personal beliefs after they have been asked once to stop.

Gifts, Favors, Entertainment, And Payments

Board Members do not receive compensation for their board service but do receive reimbursement for reasonable travel expenses associated with their board service. With the exception of nominal perishable, consumable, or other small gifts provided by the Society, Board Members will not seek or accept for themselves or others any gifts, favors, entertainment, or payments from the Society or from any person or business organization that does or seeks to do Business with or is a competitor of the Society.

Procedures For Handling Potential Conflicts of Interest

Upon receipt of a disclosure pursuant to this policy, the Board of Directors will determine if a violation of the policy has occurred by following the procedures outlined in "Violations of this Policy" below.

Further, the Board of Directors will determine whether the Society can obtain with reasonable efforts a similar or more advantageous transaction or arrangement from a person or entity that would not give rise to a potential conflict of interest.

If in the rare instance a similar or more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a potential conflict of interest, the Board of Directors will determine by majority vote of the disinterested directors whether, weighing the reputational risks, the transaction or arrangement is compelling, in the Society's best interest, for its own benefit, and whether the transaction is fair and reasonable.

The minutes of any meeting in which a potential conflict of interest arises will include a copy of the disclosure and 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. This policy does not prevent a Board Member who has a potential conflict of interest from making a presentation to the Board of Directors about the issue in which the conflict was raised; however, after the presentation, the Board Member will leave the meeting during the discussion and/or the vote on the proposed transaction or arrangement involving the possible conflict of interest.

Violations of This Policy

If the Board of Directors determines that a Board Member failed to disclose an actual or a potential conflict of interest in a timely manner, it will inform the Board Member of the basis for such determination and afford the Board Member an opportunity to explain the alleged failure to comply with this policy and disclose.

If, after hearing the Board Member's response and conducting such other investigation as is warranted by the circumstances, the Board of Directors determines the Board Member has failed to appropriately disclose an actual or potential conflict of interest, it will take appropriate action, which may include dismissal from the Board of Directors.