

**CONFLICT OF INTEREST POLICY**  
**OF**

[name of the corporation here]

**ARTICLE I**  
**PURPOSES**

**SECTION I.1 Purpose of Policy.** The purpose of the conflict-of-interest policy is to foster public confidence in the integrity of [name of the corporation here] (the “Company”) and to protect the Company’s interest when it is contemplating entering into a transaction or arrangement that may benefit the private interest of an officer, director, or key employee. This policy is intended to supplement but not replace any applicable state and federal laws governing the conflict of interest applicable to nonprofit and charitable organizations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the applicable law shall control.

**ARTICLE II**  
**DEFINITIONS**

**SECTION II.1 Conflict of interest** A conflict of interest is present when, in the judgment of the Board of Directors determining whether a conflict exists, an insider or person related to the insider by family or business relationship (“interested person”) has material financial interest in the transaction if such that it reduces the likelihood that an insider’s influence can be exercised impartially in the best interest of the Company. An interested person has a conflict of interest pursuant to Article III of this policy that a conflict of interest exists.

**SECTION II.2 Financial Interest** Any actual or potential ownership or investment interest in any entity with which The Company has or is negotiating a transaction or arrangement, which may potentially benefit an Interested Person directly or indirectly. Any actual or potential compensation arrangements with which The Company has or is negotiating a transaction or arrangement, which may potentially benefit an Interested Person directly or indirectly.

**SECTION II.3 Interested Person** Any member of the Board , any officer, including the Treasurer, Executive Director, or any person with the responsibility similar to that of any of the positions, including staff positions with management or financial responsibilities.

**SECTION II.4 Transaction** is any agreement or relationship involving the sale, gift, or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of a pecuniary relationship by the Company.

### **ARTICLE III**

#### **CONFLICT OF INTERESTS DEFINED**

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interests.

**SECTION III.1 Outside interests** An agreement or transaction between (a) The Company and interested person or family member or (b) The Company and an entity in which a interested person or family member has a financial interest or of which the Interest person or a family member is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

**SECTION III.2 Outside Activities** A interested person (a) competing with the Company in the rendering of services or in any other Agreement or Transaction with a third party, or (b) having a financial interest in or serving as director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, an entity that competes with The Company in the provision of services or in any other transaction with a third party.

**SECTION III.3 Gifts, Gratitudes, and Entertainment** A interested person accepting gifts, entertainment, or other favors from any individuals or entity that (a) does or is seeking to do business with, or is a business with a similar mission or goal as The Company; (b) has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from The Company; (c) a charitable organizations; or (d) under circumstances where it might be inferred that such action was intended to influence or reasonably could influence an interest person in the performance of his or her duties. This does **NOT** preclude the acceptance of items of nominal or insignificant value.

## **ARTICLE IV**

### **PROCEDURES**

**Section IV.1 Duty to Disclose** In connection with any actual or possible conflict of interest, an interested person must disclose, via electronic mail or written notice as soon as reasonably possible to a least one director, the existence of a financial interest and be given the opportunity to disclose all material facts to the directors and members of committee with governing board delegated with powers considering the proposed transaction or agreement. The director who receives this information regarding the Conflict of Interest shall share the information with the rest of the board at the next meeting, call a special meeting, or if the situation is urgent, notify all other directors by written notice e.g. letter, electronic mail, or text message, as soon as reasonably possible.

**Section IV. 2 Determining Whether a Conflict of Interest Exists** After disclosure of all financial interest and material facts, and a discussion with the interested person, the Board of Directors' or a governing committee's will meet to determine if a Conflict of Interests exists. During such a meeting the interested person shall not be present. The remaining board or committee members shall decide if a conflict of interests exists by a majority vote (2/3) of the entire disinterested portion of the Board.

#### **Section IV.3 Procedures for Addressing the Conflict of Interest**

- a) A person who has a Conflict of Interest shall not vote, participate in, or be permitted to hear the Board's or committee's discussion of the matter, except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting. The interested person shall refrain from any action that may affect The Company's participation in such Transaction.
- b) The chairperson of the governing board or committee board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or agreement.
- c) After exercising due diligence in collecting all the material facts and information regarding the transaction and the interested person's Conflict of Interest. If appropriate the Board or committee shall also consider alternatives to the proposed transaction or arrangement and determine

whether more advantageous transactions or agreements can be made with persons or entities that would not give rise to a Conflict of Interest.

- d) If the governing board or committee determines that a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a Conflict of Interest, the governing Board or committee shall determine by a majority vote (2/3) of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the determination it shall make its decision as to whether to enter into the transaction or arrangement.

**Section IV.4 Resolutions** If a Conflict of Interest is found to be present, the board shall hold a meeting to discuss possible resolutions and then vote on which resolution to adopt as a solution to the Conflict of Interest, on a case by case basis. All disinterested directors shall be decided by a majority vote (2/3) that a transaction or agreement is in The Company's best interest, for its own interest and benefit, and that it is fair and reasonable, before deciding to enter in to a transaction or agreement. Under **NO** circumstances may an interested person found to have a Conflict of Interest, vote in any matter in which his or her personal interests or the interests or the interest of his or her family members are implicated.

The following is a non-exhaustive list of the measures the board may take to ensure that a decision of the Board is in The Company's best interest, for its own interest and benefit, and that it is fair and reasonable:

- a) Require the conflicted party's association with The Company be terminated;
- b) Provide the conflicted party the option to either (1) to terminate its conflicted business dealings or (2) resign from their position with The Company;
- c) If the Board determines that a more advantageous transaction or agreement is not reasonably possible under the circumstances not producing a Conflict of Interest, vote to proceed with the transaction or agreement without the vote of the conflicted interested person and with a detailed record of the decision and the reasoning behind it;
- d) Form a disinterested committee or appoint a disinterested person to investigate alternatives to the transaction or agreement, and report the results to the Board; or
- e) Use a combination of two or more of the above measures.

**ARTICLE V**  
**VIOLATIONS**

**Section V.1 Violations of the Conflicts of Interest Policy** If a member of the governing Board or committee has reasonable cause to believe someone has failed to disclose an actual or possible Conflict of Interest, the member shall inform the full Board or committee of this belief and the basis of this belief. The governing Board or Committee can decide to hold a meeting pursuant to the terms of this policy, and afford the person an opportunity to explain the alleged failure to disclose. If after hearing the member's response and after making further investigation, if warranted by the circumstances, the governing Board or committee the Interest Person has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary or corrective action that has been decided by a majority vote (2/3) of the Board.

**ARTICLE VI**  
**RECORDS OF PROCEEDINGS**

**Section VI.1 Minutes** The minutes of the Board meeting shall contain a record of: (i) the names of the Interested Person, (ii) nature of the interest either financial or personal, (iii) any actions to determine whether a Conflict of Interest was present, (iv) whether it was determined if a Conflict of Interest existed, (v) which members of the Board were present for the discussion, (vi) whether the Interest Person(s) was excluded from the discussion, and (vii) the content of the discussions including any information relied upon by the governing Board or committee in reaching a decision as to the transaction. Additionally, the minutes shall contain a description of any alternatives to a proposed transaction or arrangement considered by the governing Board or committee. The minutes must also include a record of any votes taken with respect to the transaction, indicating whether it was or not approved.

**ARTICLE VII**  
**ANNUAL STATEMENTS**

**Section VII. 1 Annual Requirements** Each director, officer, and member of a committee with governing board delegated powers shall annually sign a statement: (i) affirming that the person has received a copy of this policy, has read, understood the policy, and has agreed to the comply with the policy; (ii) that

person understands that The Company is a charitable organization, and must engage primarily in activities that accomplish one or more tax exempt purposes and must not engage in activities that provide impermissible benefits to individuals or entities; and (iii) discloses their financial interests and family relationships that could give rise to a Conflict of Interest.

## **ARTICLE VIII**

### **PERIODIC REVIEW**

**Section VIII.1 Purpose** Periodic reviews shall be conducted to ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status.

**Section VIII.2 Contents** The periodic review shall, at minimum, consider: (i) the level compliance with this policy; (ii) the continuing suitability of this policy; (iii) whether the policy should be modify or improved; and (iv) whether the transactions engaged in by the Company have conformed to its policy, and do not result in inurement, impressible private bend or in an excess benefit transaction.

**Section VIII.3 Timing** At the beginning of each year, during the quarterly meeting, each new Interested Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.

**Section VIII. 4 Disclosure** Each Interested Person shall disclose to the Board of Directors any Conflict of Interest that may arise during the course of the year between the submission of annual review of the Conflicts of Interest Policy.

**Section VIII.5 Review** This policy shall be reviewed annually by each Director and Officer. Any amendments to the policy shall require a majority vote (2/3) of the board to implement. Any amendment must be communicated immediately to all Interested Persons.

The Conflict of Interest Policy were adopted at a meeting of the Board of Directors of [name of the corporation here] on \_\_\_\_\_, 2023.

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Names of Director

Director

[name of the corporation here]

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Date

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Names of Director

Director

[name of the corporation here]

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Date

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Names of Director

Director

[name of the corporation here]

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Date