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CONFLICT OF INTEREST POLICY

1. Purpose. The purpose of this Conflict of Interest Policy is to protect the interests of _____ (the “Organization”) when it is contemplating entering into a transaction that might benefit the private interests of an officer or director of the Organization. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.
2. Definitions.
 - (a) “Interested person” means any director, officer or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below.
 - (b) A person has a “financial interest” if the person has, directly or indirectly, through business, investment or family –
 - (i) an ownership or investment interest in any entity with which the Organization has a transaction or arrangement, or
 - (ii) a compensation arrangement with any entity or individual with which the Organization has a transaction or arrangement, or
 - (iii) 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.
 - (c) Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
 - (d) A financial interest is not necessarily a conflict of interest. Under Section 3(b), below, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

3. Procedures.

(a) Duty to Disclose. An interested person must promptly disclose the existence of his or her financial interest, and all material facts pertaining to such interest, to the directors and members of committees with board delegated powers who are considering a proposed transaction or arrangement with a business entity in which the interested person has a financial interest.

(b) 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 or she shall leave the 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.

(c) Procedures for Addressing the Conflict of Interest.

(i) An interested person may make a presentation at the board or committee meeting but after such presentation he or she shall leave the meeting for the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

(ii) The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After analyzing alternatives to the proposed transaction or arrangement, the board or committee shall determine whether the Organization can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interests, for its own benefit and fair and reasonable to the Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflict of Interest Policy.

(a) If the board or a board committee has reasonable cause to believe that a member has failed to disclose a financial interest in any corporation, partnership, business or association which is involved in a transaction or business arrangement with the Organization, 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 response of the member and making such further investigation as may be warranted in the circumstances, the board or committee

determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. Records of Proceedings. The minutes of the 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, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed; and

(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 therewith.

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