

Conflict of Interest Policy For Board Members (2019)

I. Introduction

Historic XYZ (hereafter called HISTORIC XYZ) is a nonprofit. This means that profits are used to further its public purpose rather than for private gain. In order to protect themselves and the Organization from allegations of real or apparent conflicts of interest, the Board of Directors adopted this Conflict of Interest Policy. Each Board member is expected to comply with this policy. Failure to comply may result in removal from office.

II. Definition of Conflict of Interest

A real or apparent conflict of interest for a member of the Board or an Officer may exist when any of those listed below may benefit from, or have a personal, professional or financial¹ interest in, a specific action(s) under consideration by either body during his/her tenure as a Board member or as an Officer and for one year thereafter:

- A. The Board and staff member, his/her spouse, child, partner(s), siblings, or associate(s);
- B. A nonprofit or for-profit organization in which the Officer or Board member is serving as an officer, director, trustee, partner, employee, or representative; or
- C. Any person or organization with which the Officer or Board member is negotiating or has any arrangement concerning prospective employment;
- D. Staff members, their family members, business partners, or associates.

Example of Conflict of Interests: A conflict of interest or loyalty arises when an individual's personal interest or bias could compromise (or appear to compromise) his or her ability to act in the best interests of the Organization. Financial transactions (such as the purchase of goods or services from a Board member) can be easily identified and disclosed, but just as important are situations where loyalties may be divided, such as the pursuit of the same donor or funder, selecting prize or award recipients, recommending colleagues for projects or committees, reviewing the performance of an employee who is also a personal friend, or collaborating with an organization on which you also serve on staff.

III. Avoidance of Conflicts

Board members and the businesses and/or institutions with which they are affiliated must avoid having personal and/or business/institutional interests which conflict or have the potential to conflict or to create the perception of conflict with the best interests of the organization. This includes, but is not limited to, the following items:

- A. Maintaining confidentiality of privileged information which is not generally available to those outside the organization.
- B. Avoid the reality or appearance of personal gain from your governing position or relationship with Historic XYZ.

¹ Financial benefit, other than a fee in accordance with applicable statewide procedures, includes (without exception) any royalty, commission, contingency fee, professional services contracts, brokerage fee, or other payment accruing to the board or committee member or those listed in 2.(a), (b), and (c).

- C. Avoiding favoritism in decisions regarding use of organization resources
- D. Evaluating their own financial interest or that of family and colleagues that directly, indirectly, or personally influence their duties and decisions while a member of Board.
- E. Should any documentation be transmitted to the Board member for review which (from the Board member's own evaluation) presents a real or apparent conflict of interest situation, all documentation on that action shall be returned with the specific reason why that member is abstaining from the action.
- F. When a real or apparent conflict of interest arises in the context of a voting situation at a Board meeting, the Board member must disclose the possible conflict of interest and physically absent himself/herself from the room during the decision-making process (including presentations and discussions) and neither vote directly, in absentia, nor by proxy, in the matter under consideration. Those in a position to make the decision must be fully informed as to the possible interest of the person(s) abstaining and absenting themselves. This information shall also be recorded in the minutes of the meeting.

IV. Disclosure of Conflicts

- A. Each officer and Board member shall complete and submit to HISTORIC XYZ Board Chair an Interested Party Disclosure Statement within 30 days of election or appointment to Board and annually thereafter. That form shall be on file at the headquarters through the incumbent's term.
- B. The incumbent will declare a conflict of interest at any point during deliberations where such a conflict may in reality or perception exist. The Chairperson of the Board reserves the right to ask the incumbent to abstain from discussion and/or vote on that issue. The Chairperson shall have the right to declare a conflict of interest and request abstention from discussion or voting at any time, whether or not the officer or Board member believes there to be a conflict of interest. Such action will be taken on a case by case basis.

V. Procedures for Handling of Conflicts

In the case of a written disclosure of a personal and/or corporate interest potentially in conflict, the Chair will bring the matter in writing to the Executive Committee. The Executive Committee will make a ruling on the matter, if necessary. The Executive Committee reserves the right to take the matter before the full Board of Directors.

If any officer, Board member, or member has reasonable cause to believe that an Officer or Board member has failed to disclose an actual or potential conflict of interest, the party will present the information, with documentation, to the Chair. The Chair will inform the incumbent of the basis for such belief and afford the person an opportunity to explain the situation in full, in writing, and within 30 days. The Chair will report the findings in full to the Executive Committee, which may elect to conduct further investigation. When the

investigation is complete, the Executive Committee will report to the full Board at the next regularly scheduled meeting. The Board may request further investigation as warranted under the particular circumstances, but must establish a reasonable timetable for obtaining the additional information. Upon conclusion of the investigation, if the Board determines that the incumbent has in fact failed to disclose an actual or potential conflict of interest, it will take appropriate action. Such action may include reprimand, suspension or termination of the incumbent's service.

Disclosure Statement

1. Identify and describe any business transactions between HISTORIC XYZ and you, any member of your immediate family, your employer, or any businesses or organizations in which you have an interest. Specifically include, but do not limit yourself to, any of the following:
 - A. Contracts for goods or services with HISTORIC XYZ.
 - B. Grants applied for or received from or through HISTORIC XYZ.
 - C. Other items, affiliations, or actions that are, or have the potential to appear to others as, conflicts of interest for you as a member of the governing authority of HISTORIC XYZ.

Last twelve (12) Months:

Balance of my projected term of office:

2. Identify the names of all organizations on which you or a family member sit on the governing board, including your position, compensation, and term.
3. Identify the names and positions of any HISTORIC XYZ employees, Board members, or officers who sit on a governing board of an organization from which you receive compensation, either as an employee or contractually for the delivery of goods or services.

4. I have read and agree at all times to abide by this Conflict of Interest Policy for Officers and Board Members.

5. In addition to the above, I agree to inform the Board Chair of any actual or apparent conflicts of interest as they might occur during the course of any business meeting or at any time in my service as a Board member or officer.

Signature

Date

Printed Name