

East Central Neighborhood Association

Conflict of Interest Policy for Board Members



Adopted by the Board of Directors of the East Central Neighborhood Association on:
4/14/2022

Overview

1. Purpose

The purpose of this Conflict of Interest Policy (the “policy”) is to protect the East Central Neighborhood Association’s (the association’s) interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a Director, Officer, or other key person result in the payment of excessive compensation to a Director, Officer or key person; or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

2. Why is a policy necessary?

As a nonprofit, charitable organization, the association is accountable to both government agencies and members of the public for responsible and proper use of its resources. Directors and Officers have a duty to act in the association’s best interests and may not use their positions for their own financial or personal benefit. Conflicts of interest must be taken very seriously since they can damage the association’s reputation and expose both the association and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for the association.

3. To whom does the policy apply?

This policy applies to all Directors, Officers, and key persons.

I. Identifying Conflicts of Interest

1. What is a conflict of interest?

A potential conflict of interest arises when a Director, Officer or key person, or that person’s relative or business stands to gain a financial benefit from an action the association takes or a transaction into which the association enters; or has another interest that impairs, or could be seen to impair, the independence or objectivity of the Director, Officer or key person in discharging their duties to the association.

2. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.

East Central Neighborhood Association – Conflict of Interest Policy

II. Disclosing Potential Conflicts of Interest

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the Board.
2. You must update this disclosure statement annually to include any new potential conflicts of interest.

III. Determining Whether a Conflict of Interest Exists

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned Director, Officer or key person, the Board of Directors shall determine whether there is a conflict of interest. The Director, Officer or key person shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.
2. In determining whether a conflict of interest exists, the Board of Directors shall consider whether the potential conflict of interest would cause a transaction entered into by the association to raise questions of bias, inappropriate use of the association's assets, or any other impropriety.

IV. Procedures for Addressing a Conflict of Interest

1. When a matter involving a conflict of interest comes before the Board, the board may seek information from the Director, Officer, or key person with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.
2. The minutes of any Board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:
 - a. the name of the interested party and the nature of the interest
 - b. the decision as to whether the interest presented a conflict of interest
 - c. any alternatives to a proposed contract or transaction considered by the Board
 - d. if the transaction was approved, the basis for the approval.

East Central Neighborhood Association – Conflict of Interest Policy

V. Prohibited Acts

The association shall not make a loan to any director or officer.

By signing below, I affirm that I, _____

1. Have received and read a copy of the Conflict of Interest Policy;
2. Agree to comply with the policy;
3. Have no actual or potential conflicts as defined by the policy or if I have I am disclosing them below.

Disclose here, to the best of your knowledge:

1. any entity in which you participate (as a director, officer, employee, owner, or member) with which the association has a relationship;
2. any transaction in which the association is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest

Your name: _____

Position in the association: _____

Signature: _____

Date: _____