



## POLICY ON CONFLICTS OF INTEREST AND DISCLOSURE OF CERTAIN INTEREST

This Policy is designed to help directors, officers, advisory board members, standing committee members, and employees of Nonprofit Partners identify situations that present potential conflicts of interest and to provide a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or other affiliated individual has or may have a conflict of interest with respect to the transaction.

### Conflict of Interest Defined

For purposes of this Policy, the following circumstances shall be deemed to create Conflicts of Interest:

1. Direct Interests: A Contract or Transaction between NP and a Responsible Person or Family Member.
2. Indirect Interest: A Contract or Transaction between NP and an entity other than a governmental unit in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a compensated or uncompensated director, office partner, associate trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative; provided, however, that this provision shall not apply to a contract or transaction between NP and any of its related organizations which there would be no conflict of interest present but for the fact that a director or officer of NP is also a trustee, director, or officer of such related organization.
3. Gifts and Entertainment: A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:
  - a) does or is seeking to do business with NP; or
  - b) has received, is receiving, or is seeking to receive a grant or to secure other financial commitments from NP; under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. Any such gift or entertainment shall be deemed to create a Material Financial Interest with respect to each Responsible Person involved. This does not preclude



the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value, which are not related to any particular transaction, or activity of NP.

### **Definitions**

1. A “Conflict of Interest” is any circumstance described in Part A of this Policy. Exceptions to this circumstance includes gifts of under \$75 or gifts that may be deemed by the Board to be in the interest of NP, e.g., a paid trip for staff to an educational seminar, and are disclosed to and reviewed by the Board.
2. A “Responsible Person” is any person serving as an officer, employee, regional advisory board member, standing committee member, or member of the Board of Directors of NP.
3. A “Family Member” is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
4. A “Material Financial Interest” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would affect a Responsible Person’s judgment with respect to transactions to which the entity is a party. For purposes of this Policy, a financial interest with respect to a Contract or Transaction shall constitute a Material Financial Interest if, but only if, an ordinarily prudent person in a like position would reasonably conclude that such interest would affect his or her judgment with respect to the Contract or Transaction.
5. A “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or loan, or the establishment of any other type of pecuniary relationship with NP.
6. “Board” is the NP Board of Directors.

### **Board Action**

A Contract or Transaction involving a Conflict of Interest may be approved by the Board if the material facts as to the Contract or Transaction and the Conflict of Interest are fully disclosed or known to the Board and the Board approves the Contract or Transaction in good faith by the affirmative vote (without counting the interested director or directors) of a majority of the entire Board at a meeting at which there is a quorum present, again without counting the interested director(s).



## Procedures

1. Prior to Board action on a Contract or Transaction involving a Conflict of Interest, a director who has a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting or, at the option of the Secretary, in a separate memorandum that is filed with the original minutes of the meeting.
2. A director who does not plan to attend a meeting at which he or she has reason to believe that the Board will act on a matter in which the person has a Conflict of Interest shall disclose to the Chair of the meeting all facts material to the Conflict of Interest. The Chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting or, at the option of the Secretary, in a separate memorandum that is filed with the original minutes of the meeting. If the director having the Conflict of Interest is the Chair, then the required disclosure shall be made to, and the required report to the board shall be made by, the Secretary.
3. A person who has a Conflict of Interest shall not participate in the Board'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.
4. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a Conflict of Interest may not vote on the Contract or Transaction. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
5. Responsible Persons who are not directors of NP, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the President any Conflict of Interest that such Responsible Person has with respect to such Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect NPs' participation in such Contract or Transaction. The President shall promptly report such Conflict of Interest to the Chair or the Chair's designee.



6. If it is not entirely clear whether or not a Conflict of Interest exists, then the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this Policy.

### **Confidentiality**

Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interest of NP. Furthermore, a Responsible Person shall not disclose or use information relating to the business of NP for the personal profit or advantage of the Responsible Person or a Family Member.

### **Review of Policy-Annual Disclosure**

1. Each new Responsible Person shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.

2. Each Responsible Person shall annually complete a Conflict of Interest Statement and Disclosure form, which shall be submitted to the President. The disclosure form will identify the businesses and nonprofit organizations, including a governmental unit, of which such Responsible Person is a director, officer, employee, or partner, and the business organizations in which such Responsible Person has an ownership interest of 5 percent or more. Any information regarding the business interests of a Responsible Person shall be treated as confidential and shall generally be made available only to the Chair, the President, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy. Until such other committee may be appointed to address Conflict of Interest, the Finance Committee is hereby appointed to address such conflicts.

3. This Policy shall be reviewed annually by each Responsible Person. Any changes to the Policy shall be communicated immediately to all Responsible Persons.



## CONFLICTS OF INTEREST STATEMENT, DISCLOSURE FORM, AND CONFIDENTIALITY AGREEMENT

### Board of Directors, Board Committees, Employees, and Other Representatives

I am providing this statement in accordance with Nonprofit Partners' Policy on Conflicts of Interest and Disclosure of Certain Interest.

1. I have read and understand the current Policy on Conflicts of Interest and Disclosure of Certain Interest. I understand that I am obligated to make an annual disclosure of all actual or apparent conflicts of interest (as described in the Policy) involving myself or a related person, which means a spouse, a parent, child, spouse of a child, sibling, spouse of a sibling, domestic partner, or member of my household.
2. I understand that I shall refrain from obtaining any list of clients for personal or private solicitation purposes at any time during the term of my affiliation.
3. Listed below are situations of Organization transactions in which I or a related person could reasonably expect to have an interest in or otherwise be affected by in the next 12 months and situations of Organization transactions in which I or a related person have been so affected within the last 12 months (other than those transactions in which I am involved only as an Organization representative.)
4. Listed below are all of the entities (e.g., my employer(s), companies in which I have an investment, community and other organizations) with which I am affiliated that I reasonably expect could have an interest in or otherwise be affected by an Organization transaction in the next 12 months or that have been so affected within the last 12 months.

Name of Entity	My Affiliation with the Entity	Nature of Transaction



# NONPROFIT PARTNERS

5. Listed below are all of the entities with which a related person is affiliated that I reasonably expect could have an interest in or otherwise be affected by an Organization transaction in the next 12 months or that have been so affected within the last 12 months.

Name of Organization Representative	Name of Entity	Related Person's Affiliation with Entity	Nature of Transaction

6. I certify that I am not now nor at any time during the past year have been a participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party, doing business with Nonprofit Partners which has resulted or could result in personal benefit to me.

7. I certify that I am not now nor at any time during the past year have been a recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with Nonprofit Partners due to my association with Nonprofit Partners.

Printed Name: \_\_\_\_\_

Affiliation with Nonprofit Partners (Board Member, scholarship committee member, etc.):

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## Confidentiality Policy and Agreement

*By signing below, I acknowledge that 1) I have received a copy of the Confidentiality Policy below; 2) I have read and understand the Policy; and 3) I agree to abide by this Policy to the best of my ability in my role as a Director, Volunteer, contractor, or Employee.*

I acknowledge and agree that all confidential information and grant files, contribution files, donor records, donor lists, charitable gift information, resource development data, manuals, letters, contracts, agreements, notes, notebooks, records, reports, memoranda, and all other Organization materials, documents and data used, prepared or collected as part of my work with the Organization, in whatever form, are and will remain the property of the Organization.

Accordingly, I agree that at the end of my relationship with the Organization, I will destroy or return to the Organization all Organization documents and other materials of any kind which constitute or contain any confidential information, in my possession or control, regardless of how stored or maintained, including all originals, copies, and compilations and all information stored or maintained on computers, tapes, discs, email, or any other form of storage.

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_