

Nokomis East Neighborhood Association

CONFLICT OF INTEREST POLICY

SECTION 1: PURPOSE:

The Nokomis East Neighborhood Association, here and after referred to as "NENA," is a 501(c)3 nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS, as well as state regulatory and tax officials, view the operations of NENA as a public trust, which is subject to scrutiny by, and accountable to, such governmental authorities as well as to members of the public.

There exists between NENA, its Board, officers, employees and the public, a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and employees have the responsibility of administering the affairs of NENA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of NENA. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with NENA or knowledge gained from NENA for their personal benefit. Not all conflicts involve personal gain. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2: DEFINITIONS.

- 2.1 Disclose shall mean delivery of notice to the NENA Board Chair as soon as is reasonably practicable, or in any event, before the person making a disclosure votes or participates in the decision of anything related to the subject matter of the disclosure.
- 2.2 Gain shall mean gifts, gratuities and pecuniary gain, whether direct or indirect, from NENA funded programs and activities with which the Participant is involved.
- 2.3 Participant means any person who is a member of, or an independent contractor for, NENA. This includes officers and members of the NENA Board, a volunteer of any Board committee, or an employee of NENA.
- 2.4 Affiliated persons include the following:
 - a. your spouse, domestic partner, child, mother, father, brother or sister;
 - b. any corporation or organization of which you are a Board member, an officer, a partner, participate in management, or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
 - c. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

SECTION 3: AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, and employees with any of the following third parties:

- 3.1 Persons, firms, and organizations supplying property, goods, equipment or services to NENA.
- 3.2 Persons, firms, and organizations receiving funding or services from NENA.
- 3.3 Persons, firms, and organizations with whom NENA is dealing or planning to deal with in connection with programs, planning or policy.
- 3.4 Competing or affinity organizations.
- 3.5 Donors and others supporting NENA.
- 3.6 Persons, firms, and organizations which may affect the operation of NENA.

SECTION 4: NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any participants, Affiliated persons, organizations or firms mentioned in Section 3. Such an interest might arise through:

- 4.1 Owning stock or holding debt or other proprietary interests in any third party dealing with NENA.
- 4.2 Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with NENA.
- 4.3 Receiving remuneration for services with respect to individual transactions involving NENA.
- 4.4 Using NENA's time, personnel, equipment, supplies, or good will for other than NENA-approved activities, programs, and purposes.
- 4.5 Receiving personal gifts or loans from third parties dealing or competing with NENA. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.
- 4.6 Taking actions or making statements in opposition of, or perceived as harmful to NENA's employees, goals, positions, or reputation.

SECTION 5: CONFIDENTIALITY

Each Participant 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 interests of NENA. Furthermore, a Participant shall not disclose or use information relating to the business of NENA for the personal profit or advantage of the Participant or an Affiliated person.

Any information regarding Conflicts of Interest and business interests of a Participant or an Affiliated person shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, 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.

SECTION 6: INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of NENA.

However, it is the policy of the Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board, officers, and employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 7: DISCLOSURE POLICY AND PROCEDURE:

- 7.1 Actions or transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
 - a. The conflicting interest is fully disclosed;
 - b. The Participant with the Conflict of Interest does not in any way participate in the discussion of such action or transaction;
 - c. A competitive bid or comparable valuation exists where financial gain is expected; and
 - d. The Board [or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

- 7.2 Disclosure or knowledge of a Conflict of Interest should be made to the Board chair (or if she or he is the one with the conflict, then to the vice-chair), who shall bring the matter to the attention of the Executive Director and the full Board [or a duly constituted committee thereof].
- 7.3 The Board [or a duly constituted committee thereof] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated action or transaction may be authorized as just, fair, and reasonable to NENA. The decision of the Board [or a duly constituted committee thereof] on these matters will rest in their sole discretion, and their concern must be the welfare of NENA and the advancement of its purpose.
- 7.4 Each Participant shall annually complete a disclosure statement identifying any relationships, positions or circumstances in which the Participant is involved that he or she believes could contribute to a Conflict of Interest arising.
- 7.5 This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Participants.

SECTION 8: SANCTIONS

The NENA Board will address alleged violations by Participants of the Conflict of Interest Policy. The sanction applied should be based upon the seriousness of the breach in conduct. The available sanctions may include but not be limited to:

- 8.1 Participants:
 - a. admonishment
 - b. censure
 - c. cancellation of any NENA funded contracts with the individual or their organization
 - d. repayment of NENA funds previously disbursed to the individual or their organization
 - e. recovery of reasonable attorney fees and the costs for collection of disbursed NENA funds, and/or
 - f. barring the individual or organization from future participation in NENA activities and contracts, including removal from committee or Board membership.
- 8.2 Staff:
 - a. In addition, staff members found to violate Conflict of Interest provisions will be subject to disciplinary action up to and including termination of employment.

SECTION 9: RELATIONSHIP WITH OTHER APPLICABLE LAW

This Policy supplements, but does not supersede federal, state and municipal law governing conflicts of interest as it may apply to government, non-profit and tax-exempt organizations.

SECTION 10: AUTHORITY FOR ADAPTION

This Policy is adopted pursuant to the Board's responsibilities as a nonprofit corporation, and supplements Article 13 of the NENA By-Laws.

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Nokomis East Neighborhood Association

CONFLICT OF INTEREST DISCLOSURE STATEMENT

In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties or Affiliated persons that are related to you (see Conflict of Interest Policy, section 2.4).

1. NAME OF PARTICIPANT: (Please print)

2. CAPACITY:

Board of directors

officer (position): _____

committee or task force member

staff (position): _____

3. Have you or any of your Affiliated persons provided material services or property to NENA in the past year?

No Yes If yes, please describe the nature of the services or property and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

4. Have you or any of your Affiliated persons purchased material services or property from NENA in the past year?

No Yes If yes, please describe the purchased services or property and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

5. Please indicate whether you or any of your Affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which NENA was or is a party?

No Yes If yes, describe the transaction(s) and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

6. Were you or any of your Affiliated persons indebted to pay money to NENA at any time in the past year?

No Yes If yes, please describe the indebtedness and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

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7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from NENA or as a result of your relationship with NENA, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to NENA?

No Yes If yes, please describe the benefit(s) and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

8. Are you or any of your Affiliated persons a party to, or have an interest in, any pending legal proceedings involving NENA?

No Yes If yes, please describe the proceeding(s) and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

9. Are you or any of your Affiliated persons a party to, or have an interest in, Persons, firms, or organizations with whom NENA is dealing or planning to deal with, in connection with NENA programs, planning or policy?

No Yes If yes, please describe the situation(s) and identify the Affiliated person, firm or organization involved. Please state your relationship with that Affiliated person, firm or organization:

10. Are you aware of any other events, transactions, arrangements or other situations that have occurred, or may occur in the future, that you believe should be examined by NENA's Board [or a duly constituted committee thereof] in accordance with the terms and intent of NENA's conflict of interest policy?

No Yes If yes, please describe the situation(s) and if an Affiliated person is involved, the identity of the Affiliated person and your relationship with that person:

I HERBY CONFIRM that I have read and understand NENA's conflict of interest policy and that my responses to the above disclosure questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify [designated officer or director] immediately.

Signature

Date