

## CSAP Board Policies

### d) Conflict of Interest Policy

Members of the Board of Directors will perform their roles and responsibilities and arrange their personal and professional affairs in such a manner that 1) public confidence and trust in our nonprofit is always maintained; and 2) Board members' honesty, integrity, fairness and good faith are always apparent to themselves and others.

#### Purpose

1. Clarify concept of "conflict of interest."
2. Identify types of outside situations which might pose conflict of interest.
3. Provide disclosure and approval procedures to help Board members to report and deliberate about potential or actual conflict-of-interest situations.
4. Provide guidelines for addressing actual conflict-of-interest situations.

#### Definition of "Conflict of Interest"

One of the fiduciary responsibilities of a Board member is the duty of loyalty to the nonprofit organization that they serve. That duty requires that Board members disclose potential or actual conflict-of-interest situations. These are situations where a Board member might appear to be, or is actually, taking advantage of their role as a Board member for his/her own personal gain. These situations can compromise a Board member's best judgment for the nonprofit when carrying out his/her roles and responsibilities as a Board member.

#### General Types of Situations That Pose Potential, or Actual, Conflict of Interest

The following two general situations are the primary examples of these types of situations:

1. Where decision-making roles and responsibilities regarding oneself, other organizations or other persons, about products, services and/or markets that might, or actually do, conflict or compete with those of the nonprofit organization.
2. Where a Board member might appear to be, or actually is, taking advantage of their role as a Board member to make specific Board decisions, the result of which will enhance the member's personal financial situation.

#### Disclosure of Potential, or Actual, Conflict-of-Interest Situations

All Board members are responsible for disclosing potential, or actual, conflicts of interest. Disclosure shall include: the type of potential conflict, the nature of the activity or situation, description of major parties involved, potential financial interests and rewards for the Board member, any possible violations of laws and regulations and of our nonprofit's plans and policies, and any other information which the Board member feels necessary in order for our Board to evaluate the disclosure.

## Commitments of Each Board Member

1. Annually sign conflict-of-interest policy.
2. Report any apparent or real conflict of interest.
3. Excuse myself from any Board deliberations and decisions that might directly or indirectly benefit my family, my personal business or me.
4. Annually disclose to members the nature of my current business services or employment, and a list of organizations with which I am directly affiliated and/or have a financially vested interest.
5. Will not engage in a business relationship with another Board member or a staff member unless previously permitted by a majority of Board members.

## Guidelines to Address Potential, or Actual, Conflict-of-Interest Situations

Upon full disclosure by the Board member:

1. Board members decide if there is a potential, or actual, conflict-of-interest situation by reaching at least 2/3's majority vote of all Board members.
2. The Board member associated with the potential, or actual, conflict-of-interest situation can first pose a suitable response to the situation. Suitable responses might include:
  - a. Abstaining from Board decisions regarding the situation (for example, from a Board vote to hire a consultant for a project to which the Board member wants to apply).
  - b. Removal of the Board member from the situation (for example, to quit the roles or association with another organization or person that shares products, services or markets with a conflicting or competing organization).
  - c. To quit the Board of Directors of our nonprofit organization.
3. Board members select suitable response by reaching at least 2/3's majority vote. It is ultimately up to the Board member to decide what he/she wants to do. However, inaction can be cause for dismissal from the Board.
4. Board discussion and voting results are recorded in the Board meeting minutes.