

CONFLICT OF INTEREST POLICY

A. Purpose.

1. To ensure the integrity and objectivity of Assistance League® of the Triangle Area and the activities of the Board of Directors and the membership through the disclosure and management of conflicts of interest.
2. To provide consistent guidelines and procedures for ethical transactions by our membership without regard to changing board members.
3. To help the membership identify potential Conflicts of Interest and to create procedures to address and resolve them.
4. To retain tax-exempt status under Section 501(c) (3) of the Internal Revenue Code.
5. To comply with the ethical intent of The Better Business Bureau, National Charities Information Bureau and charity watchdog groups by providing a Conflict of Interest Policy as part of a well-managed nonprofit organization.

B. Conflict of Interest Terminology.

1. A **Responsible Person** is any member of this organization.
2. 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.
3. A **Material Financial Interest** in an entity is a financial interest of any kind, which, in view of all circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party.
4. A **Contract or Transaction** is any agreement or relationship involving the sale or purchase of goods or services or the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship. The making of a gift to this organization is not a Contract or Transaction.

C. Conflict of Interest Defined. The following circumstances shall be deemed to create a potential Conflict of Interest:

1. Outside Interests.

- a. A Contract or Transaction between Assistance League of the Triangle Area and a Responsible Person or Family Member.
- b. A Contract or Transaction between Assistance League of the Triangle Area and an entity in which a Responsible Person and/or Family Member has a Material

Financial Interest or of which such person is a member, director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

2. Outside Activities.

- a. A Responsible Person competing with Assistance League of the Triangle Area in the rendering of services or in any other Contract or Transaction with a third party.
- b. A Responsible Person's having a Material Financial Interest in or serving as a member, director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to, an entity or individual that competes with Assistance League of the Triangle Area in the provision of services or in any other Contract or Transaction with a third party.

3. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from an individual, charitable organization or entity that:

- a. does or is seeking to do business with Assistance League of the Triangle Area.
- b. received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from Assistance League of the Triangle Area under circumstances where it might be inferred as a personal benefit to the recipient or that such action was intended to influence or possibly would influence the Responsible Person in the performance of her duties. 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 Assistance League of the Triangle Area.

4. Private Gain. Membership in Assistance League of the Triangle Area should abide by the same practices as those afforded to the general public.

- a. The organization's income or assets shall not be distributed to its members. This does not preclude legitimate reimbursement expenses incurred on the behalf of Assistance League of the Triangle Area.
- b. Donations to our philanthropic programs, fundraising events or to Assistance League of the Triangle Area in general will not provide an advantage or gain for a member of our chapter.

5. Self-Dealing.

a. With respect to the A-Z Thrift Shop, self-dealing transactions are an area of particular concern. Donations to the chapter thrift shop are received from the public with the intent that they will be used to enhance the charitable service of the organization, and not to provide an advantage or gain (i.e. private benefit) for a Responsible Person. Responsible Persons or Family Members may not have an unfair advantage over the general public. Responsible Persons must abide by the same practices and privileges as customers.

b. Shopping Policy.

- i. Items may be purchased by any individual only during posted business hours.
- ii. All items must be on the sales floor for one (1) business day before a Responsible Person or a Family Member on behalf of a Responsible Person can purchase any item. The date a Responsible Person or a Family Member on behalf of a Responsible Person may purchase an item is listed on the price tag.
- iii. A Responsible Person may not price an item which she wishes to purchase.
- iv. A Responsible Person must purchase item(s) without her apron, must have another Responsible Person to complete the transaction at the cash register and must take purchased item(s) off the sales floor immediately.
- v. A Responsible Person or Family Member may not maintain charge accounts.
- vi. A Responsible Person or Family Member may not put item(s) on hold to purchase at a later date.
- vii. A Responsible Person or Family Member may not take unpurchased item(s) out of the shop, except in the case of obtaining repair, appraisal or other such function of that item with permission of the Shop Manager.
- viii. Refer to the **A-Z Thrift Shop Procedure Manual** for additional information.

D. Procedures.

1. Prior to Board or committee action on a Contract or Transaction involving a Conflict of Interest, any member having 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.
2. Any member who plans not to attend a meeting at which she has a reason to believe that the Board or committee 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.
3. A Responsible Person who has a Conflict of Interest shall not participate in or be permitted to hear the Board or committee's discussion of the matter except to disclose material facts

and to respond to questions. Such person shall not attempt to exert her personal influence with respect to the matter, either at or outside the meeting.

4. A Responsible 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 purpose of the vote. The person having a Conflict of Interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
5. Responsible Persons who are not members of the Board of Directors of Assistance League of the Triangle Area or who have a Conflict of Interest with respect to a potential Contract or Transaction that is not the subject of the Board or committee action, shall disclose to the chair 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 Assistance League of the Triangle Area's participation in such Contract or Transaction.
6. The Board shall review and determine the significance of the incident or potential conflict and shall take appropriate action to resolve any actual Conflict of Interest.

E. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information which might be adverse to the interests of Assistance League of the Triangle Area. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Assistance League of the Triangle Area for the personal profit or advantage of the Responsible Person or a Family Member.

F. Review of Policy.

1. The VP Membership shall ensure that each member shall review a copy of this policy and acknowledge acceptance thereof and agree to be bound thereby in writing. This Conflict of Interest Policy shall be included with the **Member Form**. Completed **Conflict of Interest Disclosure Form** shall be submitted to and retained by VP Membership.

2. Each member shall complete a **Conflict of Interest Disclosure Form** identifying any relationships, positions or circumstances in which the member is involved that could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization or ownership of a business that might provide goods or services to Assistance League of the Triangle Area. Any such information regarding business interests of a member or a family member shall be treated as confidential and shall generally be made available only to the Board, except to the extent disclosure is necessary in connection with the implementation of this policy. Each member shall

complete a **Conflict of Interest Disclosure Form** if circumstances change to dissolve the conflict of interest.

3. VP Membership shall ensure that each member of the Board signs **Conflict of Interest Disclosure Forms** annually. Completed **Conflict of Interest Disclosure Forms** shall be submitted to and retained by VP Membership.

Related Policy form(s)

Conflict of Interest Disclosure Form
Member Form