

SAMPLE

Association Conflict of Interest Policy

Introduction

In the course of business, situations may arise in which a decision maker of the (ASSOCIATION) has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All staff and members of the board of directors have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of (ASSOCIATION) in dealing with outside entities or individuals,
2. Refrain from participation in any decision on matters that involve a real conflict of interest or the appearance of a conflict.

What Constitutes a Conflict of Interest

A conflict of interest arises when a staff or board member involved in making a decision is in the position to benefit, directly or indirectly, from his/her dealings with (ASSOCIATION) or person conducting business with (ASSOCIATION).

Examples of conflicts of interest include, but are not limited to, situations in which a director or employee of (ASSOCIATION):

- Negotiates or approves a contract, purchase, or lease on behalf of (ASSOCIATION) and has a direct or indirect interest in or receives personal benefit from providing goods or services;
- Negotiates or approves a contract, sale, or lease on behalf of (ASSOCIATION) and has a direct or indirect interest in or receives personal benefit from receiving the goods or services;
- An employee approves the employment of, on behalf of (ASSOCIATION), a person who is an immediate family member;
- Sells products or services offered by (ASSOCIATION) in competition with (ASSOCIATION) without disclosure;
- Uses (ASSOCIATION) facilities, other assets, employees, or other resources for personal gain.

Direct interests are considered reportable as a possible conflict under this policy if the interest exceeds one-percent of the ownership or profits interests in a business or partnership. Indirect interests include those interests held by spouses, children, brothers, sisters, and spouses of children, brothers, and sisters.

Disclosure Requirements

The first step in addressing conflicts of interest is disclosure. An employee or board member who believes that he/she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

In furtherance of that objective, (ASSOCIATION) has adopted the following requirements:

1. On an annual basis, all members of the Board of Directors, senior management, and employees with purchasing and/or hiring responsibilities or authority shall make a written disclosure to the executive director of all reportable conflicts;
2. Prior to the preparation of the disclosure statements, the accounting department shall distribute to the persons identified in the preceding step a list of all vendors with whom (ASSOCIATION) has transacted business at any time during the preceding year, along with a copy of the disclosure statement;
3. The executive director shall review all forms completed by employees and Board members and determine appropriate resolution in accordance with the next section of this policy. The Board President shall review all forms completed by the executive director.

Resolution of Conflicts of Interest

All real or apparent conflicts of interest shall be disclosed to the Executive Committee of the Board of Directors of (ASSOCIATION).

The Executive Committee shall be responsible for making all decisions concerning resolutions of conflicts involving the President and other members of senior management, and the Board of Directors.

The executive director shall be responsible for making all decisions concerning resolutions of conflicts involving contract employees below the senior management level.

Violations of This Policy

Given the importance of resolving conflicts of interest, violations of this policy, including failure to disclose conflicts of interest, may result in termination of staff.

Conflict of Interest Form

Name: _____

Position: _____

I acknowledge reading the (ASSOCIATION) Conflict of Interest policy and I agree to bring to the attention of the proper level of authority any real or perceived conflicts of interest that may arise during the course of my tenure with (ASSOCIATION).

Such conflicts include, but are not limited to, personal affiliations, professional affiliations, business dealings, dealings with other boards, and so forth. Known conflicts are listed below.

Additionally, I agree to abide by the direction and decision rendered by (ASSOCIATION).

Known Conflicts of Interest:

Signature: _____

Date: _____