



## **CONFLICT OF INTEREST POLICY**

### **Preamble**

North Branch Land Trust's effectiveness depends upon maintaining the highest levels of trust with the communities it serves and all parties with whom it works. It is essential to protect the land trust's reputation for integrity, objectivity, and fairness by identifying and appropriately dealing with actual, potential, and perceived conflicts of interest.

All persons associated with NBLT are reminded that the decisions and activities of the Board of Directors and staff, whether or not addressed in this policy, are governed by an overriding requirement of honesty, good faith, and fiduciary responsibility to the land trust and the communities it serves.

An individual who perceives the likelihood of serious conflicts between his or her duty to serve the land trust and his or her individual interests should not serve on the Board or staff.

Adherence to this Conflict of Interest Policy is a condition of association with NBLT as a staff member, board member, or committee member. Violations of this policy may be grounds for dismissal as a staff member or removal from the Board of Directors or committee.

This policy is intended to supplement but not replace any applicable state or federal laws or regulations governing conflicts of interest applicable to charitable organizations.

### **Definition of Conflict of Interest**

A conflict of interest exists when a covered person (as subsequently defined) has a material financial interest (as subsequently defined) in a transaction or project under consideration by the Board of Directors or a committee of NBLT, or when that person proposes to act on any issue, matter or transaction in which NBLT has an interest, and in which the covered person may have an interest separate from that of NBLT. A conflict of interest may also exist in situations in which there is an appearance that a covered person is utilizing, for his or her own benefit, inside information that is proprietary to NBLT, is acting in his or her own interests rather than the best interests of NBLT, has the ability to exercise undue influence over NBLT's decisions, or is receiving favorable treatment by NBLT because of his or her status as a covered person.

### **Covered Persons**

This policy applies to all present and former (within two (2) years) staff members, board members, members of committees, major donors (as subsequently defined), individuals such as volunteers who, by virtue of their continued involvement with NBLT, have access to inside information that could either place them in a conflicted situation or give the appearance of having the ability to unduly influence NBLT, and parties related to the aforementioned persons, including a spouse or domestic partner and all of the following (including their spouses): parents, children, grandchildren, and great-grandchildren. .

### **Major Donors**

Major donors are individuals, corporations or foundations making a gift or pledge of \$25,000 or more at one time or \$55,000 or more within a 5-year period.

### **Material Financial Interest**

In determining whether someone has a material financial interest in any entity, it is understood that these words include a position such as an officer, partner, director or trustee, or the ownership of more than 25 percent of the beneficial or proprietary interest in an entity.

### **General Guidelines**

All persons subject to this policy shall avoid conflicts of interest involving their duties to NBLT, and it is expected that they will conduct themselves under strict rules of honesty and fair dealing between themselves and NBLT. Of particular concern are situations in which a covered person or a close friend or business associate may (or may appear to) benefit financially from an action taken by NBLT or from confidential information gained through the covered person's association with NBLT, or a Board member or staff member has opposing or competing loyalties due to other business, organizational, or personal relationships.

A copy of this policy shall be given to each new staff member, Board member, and committee member, and each such person shall complete and sign a Conflict of Interest Acknowledgement and Disclosure Statement.

A Conflict of Interest Acknowledgement and Disclosure Statement shall annually be given to, and signed by, each current staff member, Board member, and committee member.

This policy, and the Acknowledgement and Disclosure Statement, shall be reviewed annually by the Executive Committee of North Branch Land Trust.

### **Obligations of Covered Persons**

Each Covered Person is obliged:

1. To complete and sign annually a Conflict of Interest Acknowledgement and Disclosure Statement.
2. To disclose promptly to the Executive Director or President, the Board, or the committee(s) on which he or she serves, the existence of any actual, potential or perceived conflict of interest. If this disclosure is not documented in the Minutes of a Board or committee meeting, the person to whom this conflict is disclosed shall make a written record of this disclosure, which shall be filed with the person's Acknowledgement and Disclosure Statement.
3. To abstain from discussing with Board members, employees, or committee members any issue, matter or transaction in which he or she has an actual, potential, or perceived conflict of interest unless specifically asked by the Board or a committee to give information on the issue, matter or transaction.
4. To absent himself or herself from Board and committee discussions on any issue, matter or transaction involving a conflict of interest, unless requested by the Board or committee to give information on the issue, matter or transaction. Such absence, or requested presence, shall be documented in the Minutes of the Board or committee meeting.
5. To abstain from voting on any such issue, matter or transaction. Such abstention shall be documented in the Minutes of the Board or committee meeting.
6. When requested by the Board, to take a leave of absence or to resign from the Board of Directors or committee until such time as the matter giving rise to the conflict of interest has been resolved. Such leave of absence or resignation shall be documented in the Minutes of the next Board of Directors meeting. When, in the opinion of the Chairman of the Board, the

matter has been sufficiently resolved, the person may be invited to rejoin the Board of Directors or committee.

### **Conflicts of Interest Involving Staff Members**

Conflicts of interest involving NBLT staff shall be handled by the Executive Director or by the Chairman of the Board if the Executive Director is the conflicted party. The staff member may be requested to take a leave of absence from the staff until the matter giving rise to the conflict of interest has been resolved. In extreme cases, the staff member may be requested to resign or may be dismissed.

### **Duties of the Board in Conflicted Situations**

After disclosure of an actual or potential conflict of interest, or if there is reasonable cause to believe that a Covered Person has failed to disclose the existence of a conflict of interest, the Board of Directors or committee shall request information on the matter from the person involved and make such further investigation as may be warranted under the circumstances. The Board or committee may then, at its discretion, vote on whether the situation as presented does indeed constitute a conflict of interest. After providing necessary information, the disclosing person shall leave the meeting while the matter is discussed and voted upon by the remaining board or committee members. The affirmative vote of a majority of those voting shall be required to find that a conflict of interest exists. The Minutes of the Board or committee meeting shall document the information upon which the decision was based.

When a transaction, contract or project of NBLT involves an actual, potential or perceived conflict of interest with a covered person, the Board shall act as follows:

1. Approve such transaction, contract or project only after making specific findings that:
  - a. The transaction, contract or project is fair and benefits NBLT and its objectives; and
  - b. The transaction, contract or project is approved with the Board's full knowledge of its financial or other benefit to the covered person who has the conflict of interest; and
  - c. When the covered person is a director, the director did not participate in the vote approving the transaction, contract or project and was, in fact, absent from both the discussion and vote on the transaction, contract or project; and
  - d. A more advantageous arrangement could not have been obtained with reasonable effort.
2. When warranted by the nature and magnitude of the conflict of interest, request that the covered person resign from the Board of Directors or committee.