



## Conflict of Interest Policy

The purpose of the following policy and procedures is to prevent the personal interests of board members from interfering with the performance of their duties to the Nonprofit Risk Management Center, or result in personal financial, professional, or political gain on the part of such persons at the expense of the Nonprofit Risk Management Center or its supporters, and other stakeholders.

*Definitions: Conflict of Interest* (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, officers, and board members of the Nonprofit Risk Management Center. *Board* refers to the Center's Board of Directors. *Officer* means an officer of the Board of Directors (President, Treasurer or Secretary).

### *POLICY AND PRACTICES*

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, including but not limited to the following:
  - a. A board member is related to another board member or staff member by blood, marriage or domestic partnership.
  - b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
  - c. A board member or their organization stands to benefit from an the Nonprofit Risk Management Center transaction or staff member of such organization receives payment from the Nonprofit Risk Management Center for any subcontract, goods, or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
  - d. A board member or staff member is a member of the governing body of a contributor to the Nonprofit Risk Management Center.
2. Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect the Nonprofit Risk Management Center's best interests. Both votes shall be by a majority vote without counting the vote of any interested director, even if

the disinterested directors are less than a quorum provided that at least one consenting director is disinterested.

3. An interested Board member or officer shall not participate in any discussion or debate of the Board of Directors, or of any committee or subcommittee thereof in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present board or committee member.
4. Anyone in a position to make decisions about spending the Nonprofit Risk Management Center's resources (e.g., transactions such as purchases contracts)—who also stands to benefit from that decision—has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any final decisions.
5. A copy of this policy shall be given to all Board members upon commencement of such person's relationship with the Nonprofit Risk Management Center or at the official adoption of stated policy. Each board member shall sign and date the policy at the beginning of her/his term of service each year thereafter. Failure to sign does not nullify the policy.
6. This policy and disclosure form must be filed annually by all specified parties.



Find the answer here | [nonprofitrisk.org](http://nonprofitrisk.org)

## **Conflict of Interest Disclosure Form**

This form must be filed annually by all specified parties, as identified in the Nonprofit Risk Management Center's Conflict of Interest Policy Statement.

\_\_\_\_\_ I have no conflict of interest to report

\_\_\_\_\_ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

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The undersigned, by their affixed signature, note their understanding of the implications of this policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date