



**No One Left Behind**

# **Conflict of Interest Policy for Bonita Bay Veterans Council (BBVC)**

## **1. Purpose**

The purpose of this Conflict of Interest Policy is to protect the interests of BBVC when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or key employee of BBVC, or might result in a possible excess benefit transaction.

## **2. Definitions**

**Interested Person:** Any director, officer, or key employee who has a direct or indirect financial interest, as defined below.

**Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which BBVC has a transaction or arrangement.
- A compensation arrangement with BBVC or with any entity or individual with which BBVC has a transaction or arrangement.
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BBVC is negotiating a transaction or arrangement.

### **3. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the board of directors and/or a designated committee.

### **4. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **5. Procedures for Addressing the Conflict of Interest**

- An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- The president of the board or committee chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the board or committee shall determine whether BBVC can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the BBVC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

## **6. Violations of the Conflict of Interest Policy**

- If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **7. Records of Proceedings**

The minutes of the board and all committees with board-delegated powers shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

## **8. Annual Statements**

Each director, officer and key employee shall upon election, appointment or date of employment, sign a statement which affirms such person:

- Has received a copy of the conflict of interest policy.
- Has read and understands the policy.
- Has agreed to comply with the policy.

## **9. Periodic Reviews**

To ensure BBVC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic

reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits, if any, are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to BBVC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

## **10. Use of Outside Experts**

When conducting the periodic reviews, BBVC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.