

SAMPLE

CONFLICT OF INTEREST POLICY

Obligations of Directors & Employees

Directors and employees of the Organization have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. The purpose of these guidelines is to provide general direction so that employees and directors can seek further clarification on issues related to the subject of acceptable standards of operation.

Duty to Disclose

If an employee or director has an influence on transactions involving purchases, contracts, or leases from which he/she may gain financially in a material amount, he/she has a duty to disclose to the President or other officer on the Board, the existence of any actual or potential conflict of interest.

What Constitutes Conflict of Interest

An actual or potential conflict of interest occurs when an employee or director is in a position to influence a decision that may result in a personal gain for the employee or director or for a family member as a result of the Organization's business dealings. For the purposes of this policy, a director or an employee has an interest in a proposed transaction if he/she has a financial interest in it in a material amount or has a financial interest in any organization involved in the proposed transaction, or holds a position as director or principal officer in any such organization or receives any indirect remuneration or gifts or favors.

Determining Whether a Conflict of Interest Exists

- A) A prospective director or employee shall complete an application which requests information regarding past or present business dealings with the Organization. If the applicant responds in the affirmative, the Board shall be notified by the Nominating Committee prior to appointment.
- B) After disclosure by a current director or employee of an interest in a proposed transaction, the interested person shall leave the Board or the committee while the nature and amount of the financial interest is discussed. The remaining disinterested board or committee members shall determine by a majority vote if a conflict of interest exists.

Procedures of Addressing the Conflict of Interest

- A) If it is decided that a conflict of interest exists, the Board shall determine by a majority vote of the disinterested directors whether the transaction is in the Organization's best interest and is fair and reasonable to the Organization. The Board shall make its decision as to whether to enter into the transaction or an arrangement in any event.
- B) If the Board determines that the transaction is not in the Organization's best interest, members of the Board may explore alternative arrangements which would give rise to a conflict of interest.

Violations of the Conflict of Interest Policy

If the Board has reasonable cause to believe that the director, officer or employee has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for its belief and allow the person an opportunity to explain the alleged failure to disclose.

Annual Statements

- A) Each director and employee shall annually sign a statement which affirms that such person has received a copy of the conflict of interest policy, has read the policy and has agreed to comply with the policy.
- B) Each director shall sign a disclosure statement at year end.

NONPROFIT RISK MANAGEMENT CENTER

SAMPLE

Employee Protection (Whistleblower) Policy

If any employee reasonably believes that some policy, practice, or activity of (Name of Nonprofit) is in violation of law, a written complaint must be filed by that employee with the Executive Director or the Board President.

It is the intent of (Name of Nonprofit) to adhere to all laws and regulations that apply to the Organization and the underlying purpose of this policy is to support the Organization's goal of legal compliance. The support of all employees is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of (Name of Nonprofit) and provides the (Name of Nonprofit) with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

(Name of Nonprofit) will not retaliate against an employee who in good faith, has made a protest or raised a complaint against some practice of (Name of Nonprofit), or of another individual or entity with whom (Name of Nonprofit) has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

(Name of Nonprofit) will not retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of (Name of Nonprofit) that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

My signature below indicates my receipt and understanding of this policy. I also verify that I have been provided with an opportunity to ask questions about the policy.

Employee Signature

Date