

# EAST BENTON COUNTY HISTORICAL SOCIETY

## CONFLICT OF INTEREST POLICY

### ARTICLE I.

#### Purpose

The purpose of the Conflict of Interest Policy is to protect the interests of EAST BENTON COUNTY HISTORICAL SOCIETY when it is contemplating entering into a compensatory relationship transaction or arrangement that might benefit the private interest of an Officer, Director or Board Committee Member or a Related Party of an Officer, Director or Board Committee Member of EAST BENTON COUNTY HISTORICAL SOCIETY or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### ARTICLE II.

#### Definitions

1. Interested Persons.

Any Director, Officer, or Board Committee Member, or any person that is a blood relative or family member or is an affiliated business or a business affiliate of an Officer, Director or Board Committee Member (collectively, "Related Party"), who has a direct or indirect Financial Interest, as defined below, is an "Interested Person."

2. Financial Interest Definitions.

2.1 An Interested Person is a person who has a Financial Interest if the person has, directly or indirectly, through business, investment or family:

- a. An ownership or investment interest in any entity with which EAST BENTON COUNTY HISTORICAL SOCIETY has a transaction or arrangement,
- b. A compensation arrangement with EAST BENTON COUNTY HISTORICAL SOCIETY or with any entity or individual with which EAST BENTON COUNTY HISTORICAL SOCIETY has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which EAST BENTON COUNTY HISTORICAL SOCIETY is negotiating a transaction or arrangement.

2.2 Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board or Board Committee decides that a conflict of interest exists.

ARTICLE III.  
Procedures

1. Duty to Disclose.

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Directors and Members of Board Committees with Board-delegated powers considering the proposed transaction or arrangement.

2. Procedure for 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, the Interested Person shall leave the Board or Board Committee meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining Board or Board Committee members shall decide if a Conflict of Interest exists by a majority vote. Not less than a normal Quorum shall vote on a Conflict of Interest vote, provided, however, if a Quorum is not present for such vote, an absent Director or Board....

3. Procedures for Addressing the Conflict of Interest.

- a. An Interested Person may make a presentation at the Board or Board Committee meeting, but after the presentation, such Interested Person shall leave the meeting during the discussion of, and the vote on, the Compensation, transaction or arrangement involving the possible Conflict of Interest.
- b. The Chairperson of the Board or Board Committee shall, if appropriate, appoint a Disinterested Person, Director or Committee to investigate alternatives to the proposed compensation, transaction or arrangement.
- c. After exercising due diligence, the Board or Board Committee shall determine whether EAST BENTON COUNTY HISTORICAL SOCIETY can obtain with reasonable efforts a more advantageous compensation, transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.
- d. The Board or Board Committee shall determine by a majority vote of the Disinterested Directors whether the transaction or arrangement is the EAST BENTON COUNTY HISTORICAL SOCIETY best interests of the Corporation, for the exclusive benefit of the Corporation and whether it is fair and reasonable. In conformity with the above determination, the Disinterested Directors shall make their decision as to whether to enter into the compensatory arrangement transaction or arrangement with the Interested Person.

4. Violations of the Conflict of Interest Policy.

- a. If the Board or Board Committee has reasonable cause to believe an Officer, Director or Board Committee Member has failed to disclose actual or possible Conflict of Interest, it shall inform the Interested Person of the basis for such

belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board or Board Committee determines the Interested Person has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

#### ARTICLE IV Records of Proceedings

The written Minutes of the Board and all Board Committees with Board-delegated powers shall contain:

- a. The names of the Interested Person who disclosed or otherwise was 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 Board Committee's decision as to whether a Conflict of Interest in fact existed.
- b. The names of the Disinterested Persons who were present for discussions and votes relating to the compensation, 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 with the proceedings.

#### ARTICLE V Compensation

- a. A Director who receives compensation, directly or indirectly, from EAST BENTON COUNTY HISTORICAL SOCIETY for services is precluded from voting on matters pertaining to that Director's compensation.
- b. A Board Committee Member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from EAST BENTON COUNTY HISTORICAL SOCIETY for services is precluded from voting on matters pertaining to that Board Committee Member's compensation.
- c. No Director or any Board Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from EAST BENTON COUNTY HISTORICAL SOCIETY, either individually or collectively, is prohibited from providing decisional information to the Board or any Board Committee regarding compensation.