

Dispute Resolution Center of Thurston County

Board Policies & Procedures

Conflict of Interest Policy and Agreement

Purposes: The Board of Directors for the Dispute Resolution Center of Thurston County enacts this policy in recognition that actual conflicts of interest and the appearance of conflicts of interest may occur because board members and staff may have multiple interests and affiliations within their personal and professional lives. A board member or staff person may owe duties of loyalty to two or more organizations or entities. A board member or staff person may have a financial interest in a DRC transaction. The purposes of this policy are: (1) to protect the organization's tax-exempt status when a DRC transaction has the potential to benefit the private interest of a board member or staff member, and (2) to set forth expectations for board members and staff. The policy is intended to supplement but not replace any applicable state and Federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Requirements: Each director and staff member of the DRC owes a duty of loyalty to the organization. The duty of loyalty requires a director or staff member to place the interests of the organization over the director's/staff's interests or the interests of others at all times. In addition, directors and staff of the organization shall refrain from acts of self-dealing which may adversely affect the organization's tax-exempt status or otherwise result in a sanction or penalty by a governmental authority.

Each director and staff member must, upon discovery of a potential conflict of interest, promptly disclose to the Executive Director the existence of the financial interest, or other potential conflict of interest concerning any DRC proposed transaction, arrangement, or decision. When a potential conflict of interest is identified, the board member or staff member may elect to refrain from participation in the specific DRC transaction, arrangement or decision. In the event the board member or staff person does not make such election, the Board of Directors may take action to preclude such person from participation.

Each director and staff member must, upon discovery of an actual conflict of interest, promptly disclose to the Executive Director the existence of the financial interest, or other potential conflict of interest concerning any DRC proposed transaction, arrangement, or decision. When an actual conflict of interest is identified, the board member or staff person may not participate in the specific DRC transaction, arrangement, or decision.

In the event the Executive Director is required to make a disclosure under this policy, the disclosure shall be made to the President of the Board of Directors.

Annual review and signature: Each year all current members of the Board of Directors for the Dispute Resolution Center of Thurston County shall review and execute this *Conflict of Interest Policy and Agreement*. All signed copies of this form shall be stored in the Dispute Resolution Center of Thurston County Board of Directors archival files maintained by the Executive Director for the organization consistent with the *Document Retention and Security Policy*.

Definition of Financial Interest: A person has a financial interest if the person has through his or her business, investment or family: (a) An ownership or investment interest in any entity with which the organization has a transaction or arrangement; (b) A compensation arrangement with the organization or with an any entity or individual with which the organization has a transaction or arrangement, or (c) A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the corporation is negotiating a transaction or arrangement.

The role of the Board of Directors when an actual or potential conflict of interest is implicated by a board member's possible involvement in decisions: No board member shall participate in any vote on any subject in which he, she, or they have a specific personal, professional, financial, or other conflict of interest. If the possibility of a conflict of interest arises, he/she/they shall inform the Board of Directors. He/she/they shall not participate in discussions regarding the potential conflict of interest until a decision is made by the Board of Directors as to whether a conflict exists. The Board of Directors shall consider the information provided by the member and determine if a conflict is present and whether the member may vote on the issue, participate in discussions, be present at discussions, or be excluded from any parts of a meeting at which the issue is discussed. When the possibility of a conflict of interest exists, the Board of Directors shall first consider the risks presented to the organization. If the Board of Directors decides to approve actions that relate to a possible conflict of interest, it shall contemporaneously adopt by Resolution a clear statement of the circumstances, and the safeguards that will be put into place.

Amended by Board, 2018; minor edits adopted 2022; major edits adopted 2024.

Agreement: Each director, principal officer and member of a committee with governing-board delegated powers shall annually sign the following affirmation:

I, _____, being a current member of the Board of Directors for the Dispute Resolution Center of Thurston County, or any Board of Directors committee, hereby affirm the following:

1. I have received a copy of the Dispute Resolution Center of Thurston County, *Conflict of Interest Policy and Agreement*.
2. I have read and understand the policy.
3. I agree to comply with the policy.
4. I understand the organization is charitable and in order to maintain its Federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signed: _____, Title: _____

Print name: _____

Date: _____