

Dispute Resolution Center of Thurston County

Board Policies & Procedures

Conflict of Interest Policy and Agreement

Purposes: It is important for members of the Board of Directors for the Dispute Resolution Center of Thurston County to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of the organization and that the appearance of conflict can be problematic even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with the organization should be expected to have and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations, a person will sometimes owe identical duties of loyalty to two or more organizations. The purpose of the conflict of interest policy is to protect the organization's tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a possible excess benefit transaction. 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.

Each member of the Board of Directors and the staff of the organization has a duty of loyalty to the organization. The duty of loyalty generally requires a director or staff member to prefer the interests of the organization over the director's/staff's interests or the interests of others. In addition, directors and staff of the organization shall avoid acts of self-dealing which may adversely affect the tax-exempt status of the organization or cause there to arise any sanction or penalty by a governmental authority.

Each member of the Board of Directors and the staff of the organization has a duty to disclose the existence of a financial interest, or other potential conflict of interest, and be given an opportunity to disclose all material facts to the directors and members of committees with governing-board delegated powers concerning the proposed transaction or arrangement. 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 committees with governing-board delegated powers considering the proposed transaction or arrangement.

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.

Policy: No member of the Board of Directors for the Dispute Resolution Center of Thurston County, or any Board of Directors committee, shall participate in any vote on any subject in which he or she has a specific personal, professional, financial, or other conflict of interest. If the possibility of a conflict of interest arises, he or she shall inform the Board of Directors. He or she 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 note 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 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, June 21, 2018

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: _____