

LVCBA Policy:

CONFLICT OF INTEREST

Revision Nbr **01**

Effective Date: **5/25/10**

This Policy was Approved for use by the LVCBA Board of Directors on May 24, 2010.

I. APPLICATION

- A. This Policy applies to Board Members, Staff Members and any Volunteers granted decision-making authority with respect to financial or other resources of the LVCBA. Persons covered under this policy are hereinafter referred to as 'interested parties.'
- B. The President of the Board shall annually organize appropriate training of all affected parties, preferably to coincide with the start of each financial year. The Executive Director shall create a Training Record and archive the Record consistent with prevailing Document Retention policy.

II. CONFLICT OF INTEREST

A conflict of interest may exist when the interests of an interested party, or a relative, or business associate of an interested party may be seen as competing with the interests of the LVCBA.

Examples include, but are not limited to:

- The LVCBA contracts to purchase goods or services from an interested party.
- The LVCBA purchases an ownership interest or invests in a business entity owned by an interested party.
- The LVCBA offers employment to an interested party, other than a person who is already employed by the LVCBA.
- An interested party is provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business with the LVCBA.
- An interested party is gratuitously provided substantial use of the facilities, property or services of the LVCBA.
- An interested party seeks to obtain preferential treatment by the LVCBA for him or herself.

- An interested party seeks to make use of LVCBA confidential information for his or her benefit, or for the benefit of another organization.
- An interested party seeks to take advantage of an opportunity, or enable a relative or business associate to take advantage of an opportunity, which he or she has reason to believe would not benefit the LVCBA.

III. DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

All 'interested parties' as defined in IA shall disclose or update any actual or potential conflicts of interest as soon as it is known or reasonably should be known, on the ANNUAL AFFIRMATION OF CONFLICT OF INTEREST DISCLOSURE STATEMENT (See Enclosure.) The President of the Board shall annually require and retrieve these Statements from Board Directors and the Executive Director shall require and retrieve these Statements from his/her Staff, as well as from any Volunteer granted significant decision authority with respect to LVCBA finances or resources. Further, the Executive Director shall archive these Statements consistent with prevailing Document Retention policy.

IV. RESOLUTION OF ACTUAL OR POTENTIAL CONFLICTS OF INTEREST

Whenever there is reason to believe that an actual or potential conflict of interest exists between the LVCBA and an interested party, the Board of Directors shall make prompt determination of an effective organization response. The Executive Director shall report to the Executive Committee of the Board any actual or potential conflict involving an employee of the LVCBA and shall be guided by the Executive Committee in developing and implementing prompt, effective response.

Whenever the Board of Directors makes such determination, minutes of the applicable Board meeting shall reflect:

- pertinent detail of the conflict disclosure
- the vote taken (inclusive of any abstentions)
- implementation steps designed to resolve the conflict.

Should the Board of Directors have reason to believe that an interested party has failed to disclose an actual or potential conflict, the President of the Board of Directors shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If such explanation is unsatisfactory to the Board of Directors, they shall make prompt determination of an effective organization response.

• END OF POLICY*