

## CONFLICT OF INTEREST POLICY

### NORTHEASTERN CAVE CONSERVANCY, INC.

#### **SECTION 1. PURPOSE:**

The Northeastern Cave Conservancy, Inc. (herein referred to as NCC) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of the NCC as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between the NCC and its board, officers, and management (committee chairs and property managers), and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management have the responsibility of administering the affairs of the NCC honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the NCC. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the NCC or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

#### **SECTION 2. PERSONS CONCERNED:**

This statement is directed not only to trustees and officers, but to all members who can influence the actions of the NCC. For example, this would include all who make purchasing decisions, all persons who might be described as management, i.e., committee chairs or property managers, and anyone who has proprietary information concerning the NCC.

#### **SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of trustees, officers, and management with any of the following third parties:

1. Persons and firms supplying goods and services to the NCC.
2. Persons and firms from whom the NCC leases property and equipment.
3. Persons and firms with whom the NCC is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting the NCC.
6. Agencies, organizations, and associations which affect the operations of the NCC.
7. Family members, friends, and other persons.

#### **SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with the NCC.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the NCC.
3. Receiving remuneration for services with respect to individual transactions involving the NCC.

4. Using NCC's time, personnel, equipment, supplies, or good will for other than NCC-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with the NCC. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. (Any such "token" gift is to be reported to the President.) No personal gift of money should ever be accepted.

**SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the trustees, officers, and management will recognize such areas and relation by analogy. The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of the NCC.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

**SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and voting on such transaction. However, any officer/trustee who is excluded from voting pursuant to this policy may answer pertinent questions of other officers/trustees and be present when the interested officer/trustee's knowledge regarding the matter will assist the Board.
3. The Board has determined that the transaction is in the best interest of the organization; and
4. The minutes of the meeting shall indicate that the interested officer/trustee disclosed the interest or involvement in the matter being considered by the Board, recused herself/himself from the discussion, and abstained from voting on the matter.

Disclosure in the organization should be made to the Board. The Board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the NCC. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of the NCC and the advancement of its purpose.

**I have read and understand the foregoing CONFLICT OF INTEREST POLICY, I agree to its terms, and my actions have been and will continue to be guided thereby.**

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Print Name and Position

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Signature and Date