**[COMPANY NAME]**

**CONFLICT OF INTEREST POLICY**

**[DATE]**

The purpose of this conflict-of-interest policy is to protect [COMPANY NAME]’s (the “Organization”) interest when it is contemplating (i) entering into a transaction or arrangement that may potentially benefit the private interest of an officer or director of the Organization or (ii) 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.

1. **DEFINITIONS.**

“Compensation” shall mean any material direct or indirect remuneration (including in-kind gifts and/or favors).

“Excess Benefit Transaction” shall mean any transaction in which an economic benefit is directly or indirectly provided by the Organization to or for the use of a Disqualified Person (as defined by the Internal Revenue Code), and the value of the economic benefit provided by the Organization exceeds the value of the consideration received by the Organization.

“Financial Interest” shall mean (i) an ownership or investment interest in any party or beneficiary of any transaction into which the Organization enters; (ii) a Compensation arrangement with the Organization or with any third party with which the Organization is negotiating a transaction; or (iii) a potential ownership or investment interest in, or compensation arrangement with, third party with which the Organization is negotiating a transaction.

“Interested Person” shall mean any Director, Officer, or otherwise an individual with powers that have been delegated by the Board of Directors that has a Financial Interest in the subject transaction, whether such interest is direct or indirect).

1. **PROCEDURES.**
   1. *Disclosure.* As soon as is practicable after becoming aware of the relevant facts, all Interested Persons must disclose in writing to the Board of Directors of the Organization, all facts material to the determination as to if the Interested Poerson has an actual or potential Financial Interest.
   2. *Determination.* The Interested Person shall recuse themself from the deliberations by the Organization’s Board of Directors in its determination as to if there is an actual or potential conflict of interest present considering the material facts disclosed by the Interested Person.
   3. *Addressing Conflicts.* The Board of Directors or its delegee shall make a determination as to the appropriate mitigating actions regarding the Interested Person’s actual or potential conflict of interest. The Board of Directors or its delegee may, in its discretion, appoint a disinterested third party to make such determination and subsequent recommendations. Majority vote of the Board of Directors shall govern all actions to be taken regarding the Interested Person and the actual or potential conflict of interest.
   4. *Violations.* In the event that the Board of Directors, by majority vote, has reason to believe there is an Interested Person that failed to disclose a Financial Interest, it shall first disclose its understanding in writing to the person it believes is an Interested Person and articulate all material facts reflecting its understanding at such time. The potential Interested Person shall, within ten (10) days of receipt of such communication, respond in writing stating (i) all facts material to the determination as to if there is an actual or potential Financial Interest regarding the subject transaction; and (ii) if they would like to request a hearing in front of the Board, which the Board shall facilitate within fourteen (14) days of the receipt of such correspondence. Within ten (10) days of receipt of response from the potential Interested Person (or the hearing, if requested) the Board of Directors shall issue its determination of the appropriate action to be taken in writing to the potential Interested Person.
   5. *Recordation.* All proceedings regarding actual or potential conflicts of interest shall be recorded in meeting minutes by the Secretary of the Organization.
2. **ANNUAL STATEMENTS.** Each Director, Officer, or otherwise an individual with powers that have been delegated by the Board of Directors shall annually sign a statement which affirms such person: (i) Has received a copy of this Conflict of Interest Policy; (ii) has read and understands the policy; (iii)has agreed to comply with the policy; and (iv) understands 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.
3. **PERIODIC REVIEW.** The Board of Directors shall, no less frequent than annually, conduct due diligence to determine (i) whether compensation arrangements and benefits are reasonably a result of arms-length bargaining based on the relevant material facts; and (ii) whether partnerships, joint ventures, and arrangements with third parties conform to the Organization’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an Excess Benefit Transaction.