

# CONFLICT OF INTEREST POLICY

## BRIDGES TO PROSPERITY

### I. Application of Policy

This policy applies to board members and staff with significant decision-making authority with or affiliated with Bridges to Prosperity (B2P). Persons covered under this policy, as well as their relatives and associates, are hereinafter referred to as "interested parties."

### II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of *B2P*. There are a variety of situations that raise conflict of interest concerns including, but not limited to, the following:

**A. Financial Interests** - A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by *B2P*. Examples include situations where:

- *B2P* contracts to purchase or lease goods, services, or properties from an interested party.
- *B2P* offers employment or compensation to an interested party or an entity with which the interested party has a direct or indirect financial interest, other than a person who is already employed by *B2P*.
- An interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with *B2P*.
- An interested party is gratuitously provided use of the facilities, property, or services of *B2P*.
- *B2P* adopts a policy that financially benefits an interested party.

A financial interest is not necessarily a conflict of interest. A financial conflict of interest exists only when the board decides a person with a financial interest has a conflict of interest.

**B. Other Interests** - A conflict also may exist where an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with *B2P*. Examples include where:

- An interested party seeks to obtain preferential treatment by *B2P* or recognition for himself/herself or another interested party.
- An interested party seeks to make use of confidential information obtained from *B2P* for his/her own benefit (not necessarily financial) or for the benefit of another interested party.
- An interested party seeks to take advantage of an opportunity or enables another interested person or other organization to take advantage of an opportunity that he/she has reason to believe would be of interest to *B2P*.
- *B2P* adopts a policy that provides a significant nonfinancial benefit to an interested party.

A conflict of interest exists only when the Board of Directors or Executive Committee decides there is a conflict.

### **III. Disclosure of Potential Conflicts of Interest**

An interested party is under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known.

Disclosure statements will be submitted as follows. For board members, the disclosure statements shall be provided to the Chair of the board. The Chair's disclosure statement shall be provided to the Secretary of the board or its equivalent. Copies also shall be provided to the Executive Director of *B2P*.

In the case of staff with significant decision-making authority, the disclosure statements shall be provided to the Executive Director of *B2P*. In the case of the Executive Director, the disclosure statement shall be provided to the Chair of the Board.

In all cases, the recipient is the designated reviewing official responsible for bringing potential conflicts to the attention of the appropriate authorities. The Secretary of the Board of Directors shall file copies of all disclosure statements with the official corporate records of *B2P*.

### **IV. Procedures for Review of Potential Conflicts**

Whenever there is reason to believe that a potential conflict of interest exists between *B2P* and a Board member, the Executive Director or other interested party, the Board of Directors shall determine the appropriate response. This shall include, but not necessarily be limited to, invoking the procedures described below with respect to a specific proposed action, policy or transaction. The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the board promptly for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest.

Where the potential conflict involves an employee of *B2P* other than the Executive Director, the Executive Director shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of *B2P*. The Executive Director shall report to the Chair the results of any review and the action taken. The Chair shall determine whether any further board review or action is required.

### **V. Procedures for Addressing Conflicts of Interest**

Where a potential conflict exists between the interests of *B2P* and an interested party with respect to a specific proposed action, policy or transaction, the Board of Directors shall consider the matter during a meeting of the board. *B2P* shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the Board of Directors of *B2P*. The following procedures shall apply:

An interested party who has a potential conflict of interest with respect to a proposed action, policy or transaction of the corporation shall not participate in any way in, or be present during, the deliberations and decision-making vote of *B2P* with respect to such action, policy or transaction. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the board may request that the interested party be available to answer questions.

- The disinterested members of the Board of Directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of *B2P*. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to *B2P* and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the Board of Directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made to the board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes should frame the decision of the board in such a way that it provides guidance for consideration of future conflict of interest situations.

## **VI. Documentation**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **VII. Violations of Conflict of Interest Policy**

If the Board of Directors has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the board decides that the interested party has in fact failed to disclose a possible conflict of interest, the board shall take such disciplinary and corrective action as the board shall determine.