

This conflict of interest & confidentiality policy is designed to help directors, officers, employees and interns of Park Pride identify situations that present potential conflicts of interest and to provide Park Pride with procedures that, if observed, will protect the organization and permit certain beneficial transactions to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction. To that end, this Policy prohibits Excess Benefit Transactions. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, governing law shall control. All capitalized terms are defined in Part 2 of this Policy.

1. **Conflict of Interest Defined.** For purposes of this Policy, the following circumstances shall be deemed to create Conflicts of Interest:

- A. **Outside Interests.**

- (i) A Contract or Transaction between Park Pride and a Responsible Person or Family Member.
- (ii) A Contract or Transaction between Park Pride and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- (iii) Any Excess Benefit Transaction.

- B. **Outside Activities.**

- (i) A Responsible Person competing with Park Pride in the rendering of services or in any other Contract or Transaction with a third party.
- (ii) A Responsible Person having a Material Financial Interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, an entity or individual that (a) competes with Park Pride in the provision of services or in any other Contract or Transaction or (b) has a mission or purpose incompatible with Park Pride's mission or programs.

- C. **Gifts, Gratuities and Entertainment.** A Responsible Person or a Family Member accepting gifts, entertainment, or other favors from any individual or entity that:

- (i) does or is seeking to do business with, or is a competitor of, Park Pride or
- (ii) has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from Park Pride; or
- (iii) is a charitable organization;

under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties to Park Pride. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of Park Pride.

- D. **Use of Park Pride Resources.** A Responsible Person or Family Member using (or permitted another third party to use) Park Pride's personnel, equipment, supplies, name, logo, programs or good will for anything other than the sole benefit and promotion of Park Pride pursuant to activities approved by the board and/or the Executive Director.

2. **Definitions.**

- A. A *Conflict of Interest* is any circumstance described in Part 1 of this Policy.
- B. A *Responsible Person* is any person serving as an officer, employee, intern, or member of the board of directors of Park Pride[, or as a member of any committee with powers delegated to it by the board], [or who has served in the capacity as an officer or member of the board during the past five years].
- C. A *Family Member* is a spouse, domestic partner, parent, child, spouse of a child, other dependant, sibling, spouse of a sibling, or other close relation (by blood, marriage or adoption) of a Responsible Person.
- D. A *Material Financial Interest* in an entity is a financial interest of any kind (direct or indirect) that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation, remuneration, or economic benefit (including a benefit to an entity in which the Responsible Person or Family Member owns stock).
- E. A *Contract or Transaction* is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review or assistance of a charitable organization by Park Pride. Making of a gift to Park Pride, without any exchange of value, is not a Contract or Transaction.

- F. An *Excess Benefit Transaction* is any transaction in which an economic benefit is provided by Park Pride to or for the use of any Responsible Person or Family Member and the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received by Park Pride for providing such benefit. For purposes of this definition, an economic benefit shall not be treated as consideration for the performance of services unless Park Pride clearly indicates its intent for this treatment.

3. **Procedures.**

- A. Before board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- B. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting, in advance, all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- C. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter involving the Conflict of Interest except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- D. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a Conflict of Interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of directors of Park Pride has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the board of directors or a committee thereof.
- E. At a meeting of the board to consider a Contract or Transaction involving a Conflict of Interest, the disinterested members shall determine whether a conflict exists, if it is material, whether the proposed Contract or Transaction is an Excess Benefit Transaction, and whether the proposed Contract or Transaction may be entered into fairly and to the benefit of Park Pride. The President (or other executive officer if the President is the party with the Conflict of Interest) may, if appropriate, appoint a disinterested person or

committee to investigate alternatives to the proposed Contract or Transaction before it is approved or consummated. All such determinations shall be reflected in the minutes of the meeting.

- F. At a meeting of a committee to consider a Contract or Transaction involving a Conflict of Interest, the disinterested members shall determine whether a conflict exists, if it is material, whether the proposed Contract or Transaction is an Excess Benefit Transaction, and whether the proposed Contract or Transaction may be entered into fairly and to the benefit of Park Pride. All such determinations shall be reflected in the minutes of the meeting. The committee's determinations shall be promptly reported to the board before the Contract or Transaction is consummated. In the absence of any board action to the contrary within ten days, any such Contract or Transaction approved by the committee may be consummated.
- G. Responsible Persons who are not members of the board of directors of Park Pride, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of board or committee action, shall disclose to the Executive Director or the Executive Director's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect such person's or Park Pride's participation in such Contract or Transaction.

In the event that it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Executive Director or the Executive Director's designee, who shall determine whether there exists a Conflict of Interest that is subject to this Policy.

The Executive Director or his/her designee shall report any such Conflicts of Interest or potential Conflicts of Interest to the Executive Committee.

- 4. **Confidentiality.** Each Responsible Person shall exercise care not to disclose to any parties who are not Responsible Persons: (a) confidential information acquired in his/her capacity as a Responsible Person or (b) any other information obtained from or regarding Park Pride where disclosure might be adverse to the interests of Park Pride. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Park Pride for the personal profit or advantage of the Responsible Person or a Family Member.

5. **Review of Policy.**

- A. Promptly upon the adoption of this Policy and thereafter promptly upon a new Responsible Person taking on such role, each Responsible Person shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.
- B. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to another not-for-profit organization, or ownership of a business that might provide goods or services to Park Pride. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the President, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- C. This Policy shall be reviewed annually by each member of the board of directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.
- D. A form of certification and disclosure is attached to this Policy.

6. **Violations of Conflict of Interest Policy.**

- A. If the Executive Director or a member of the board or a committee has reasonable cause to believe that a Responsible Person has failed to disclose a Conflict of Interest or otherwise has violated this Policy, it shall inform the Executive Committee of that belief and basis for that belief. The Executive Committee shall inform the Responsible Person of such information and afford the individual an opportunity to explain the alleged violation.
- B. If, after hearing the Responsible Person's response and after making such further investigation as is warranted under the circumstances, the Executive Committee determines that the Responsible Person has violated this Policy, and upon the majority vote of the disinterested members of the board, appropriate disciplinary and corrective action shall be taken

7. **Periodic Reviews.** To ensure that Park Pride operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. These periodic reviews, at a minimum, shall include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

- B. Whether partnerships, joint ventures, and other commercial arrangements conform to Park Pride's written policies (including this Policy); 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 an Excess Benefit Transaction.
8. **Use of Outside Experts.** When conducting the periodic reviews as provided in Part 7 above, Park Pride may, but need not, use outside advisors.



Conflict of Interest Information Form

Name: _____ Date: _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in Park Pride's Policy on Conflicts of Interest) arising.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, Conflict of Interest and Confidentiality Policy of Park Pride that is currently in effect.

Signature: _____ Date: _____