

United Way of Hall County

Conflict of Interest Policy

Section 1. Purpose.

As a tax exempt organization, the purpose of the conflict of interest policy is to protect UWHC's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, board member, committee member or employee of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Section 2. Definitions.

A. Interested Person

An interested person is any officer, board member, member of a committee or employee with board-delegated powers who has a direct or indirect financial interest.

B. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family member:

- An ownership or investment interest in any entity with which UWHC has a transaction or arrangement; or
- A compensation arrangement with UWHC or with any entity or individual with which UWHC has a transaction or arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which UWHC is negotiating a transaction or arrangement; or
- Is employed by or serves in a voluntary capacity for a Partner Agency or other funded program.

Family member shall include as applicable, spouse or domestic partner, children, parents, brothers, sisters or any other individual who has permanent residence in the household of the interested person. Family member shall also include spouses of any of the relationships listed above.

C. Compensation

Compensation includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under this definition, a person who has a financial interest may have a conflict only if the appropriate committee decides that the person's judgment is adversely influenced by the interest.

Section 3. Procedures.

A. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence

and nature of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

B. Determining whether a conflict of interest exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested party, if so requested by the Chair of the board or committee, the interested party shall leave the meeting while the remaining members determine if a conflict of interest exists by discussion followed by a vote.

C. Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the board or committee meeting, but after such presentation, if so requested by the Chair of the meeting, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the board or committee shall determine whether UWHC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances not producing a conflict of interest, the full board or executive committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in UWHC's best interest, for its own benefit and whether the transaction is fair and reasonable to UWHC and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy.

1. If the board or committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

2. If, after hearing the response of the interested person and after making further investigation as may be warranted under the circumstances, the board or committee determines that the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings.

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

1. 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 board's or committee's decision as to whether a conflict of interest in fact existed; and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement with the potential conflict, 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.

Section 5. Annual Statements.

Each director, officer, employee, and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person has received and read a copy of the Conflict of Interest Policy, understands the policy, agrees to comply with the policy and understands that UWHC is a charitable organization and in order to maintain its federal tax exception must engage primarily in activities which accomplish its tax-exempt purpose.

Adopted by the Board of Directors – March 17, 2006

Revised by Governance & Personnel Committee and adopted by the Board of Directors – December 1, 2010