

## Subject: **Conflict of Interest Policy**

Review Date: Annually

**Purpose:** Washington Canoe Club (WCC) 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 WCC 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 WCC and its board, committees, employees, and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, committees, and employees have the responsibility of administering the affairs of WCC honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the club. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with WCC or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

**Persons Concerned.** This statement is directed not only to directors and committees, but to all employees who can influence the actions of WCC.

**Duty to Disclose.** In connection with any actual or possible conflict of interest, an employee or member of the board or committees must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the board who are considering a proposed transaction or arrangement.

Disclosure should be made to the board chair, who shall bring the matter to the attention of the board.

**Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion, the employee or member of the board or committee with the possible conflict of interest shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

**Procedures for Addressing the Conflict of Interest.** If it is deemed a conflict of interest exists:

- a. The interested person may make a presentation at meeting of the board, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction.
- b. The board chairperson shall, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the board shall determine whether WCC can obtain a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible, the board will decide what transaction or arrangement is in AFC's best interest, and whether it is fair and reasonable. The board will then make its decision as to whether to enter into the transaction or arrangement.

**Violations of the Conflicts of Interest Policy:** If the board has reasonable cause to believe someone has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the board determines the person has failed to disclose an actual or possible conflict of interest, the board shall take appropriate disciplinary and corrective action.

**Records of Proceedings.** The minutes of the board shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a 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 decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions 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.

**Annual Statements.** Each principal employee and member of the board shall annually sign a statement (Enclosure) which affirms that he/she:

- a. Received a copy of the conflicts of interest policy
- b. Read and understands the policy,
- c. Agreed to comply with the policy, and
- d. Understands WCC 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.

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

- a. Whether partnerships, joint ventures, and arrangements with management organizations conform to WCC'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
- b. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

## Conflict of Interest Policy Statement

The standard of behavior at the Washington Canoe Club is that all employees, committee members and board members scrupulously avoid conflicts of interest between the interests of the Washington Canoe Club on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest.

I understand that the purposes of this policy is to protect the integrity of the Washington Canoe Clubs decision-making process, to enable our constituencies to have confidence in our integrity, of members, employees and board members. Upon or before election, hiring or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate. Such financial interests, directly or indirectly through business, investment or family, include:

- a. An ownership or investment interest in any entity with which the WCC has a transaction or arrangement, or
- b. A compensation arrangement with the WCC or with any entity or individual with which the WCC has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which WCC is negotiating a transaction or agreement.

In the course of meetings or activities, I will disclose any interests in a transaction or decision where I (including my business or other nonprofit affiliations), my family and/or my domestic partner, or employer will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

In addition, I have listed below all current potential conflicts of interest.

Company	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

Signed \_\_\_\_\_ Date \_\_\_\_\_

I understand that this policy is meant to supplement good judgment, and I will respect its spirit as well as its wording.