

# The Open Door Shelter

## Board of Directors

### Conflict of Interest Policy

The purpose of The Open Door Shelter's (ODS) conflict of interest policy is to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of ODS that might result in a possible excess benefit transaction. All conflicts of interest are not necessarily prohibited or harmful to the organization. However, full disclosure of actual and potential conflicts, and a determination by the disinterested Board members (with the interested Board member(s) excused from participating in debates and voting on the matter) are required. Board members have a fiduciary duty to conduct themselves without conflict to the interests of the organization. Furthermore, members of the Board of Directors agree to subordinate personal, individual business, third-party, and other interests to the welfare and best interest of the organization

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.

#### Definitions:

1. Any Director who has a direct or indirect financial interest, as defined below, is an interested person.
2. A person has a financial interest if the person has, directly or indirectly, through business or investment.
  - a. An ownership or investment interest in any entity with which ODS has a transaction or arrangement.
  - b. A compensation arrangement with ODS or with any entity or individual with which ODS has a transaction or arrangement

#### Procedures:

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### Procedures for Addressing the Conflict of Interest:

1. An interested person may make a presentation at the board or committee meeting, but after the presentation, 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 President of the Board, if appropriate, shall 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 ODS 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 possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest ODS, for

its own benefit, 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.

Violations of the Conflicts of Interest Policy:

1. If the board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

Records of Proceedings:

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 decision as to whether a conflict of interest in fact existed.

On an annual basis, all Board members shall be provided with a copy of the Conflict of Interest Policy and will be required to complete and sign the acknowledgment and disclosure form. All completed forms as well as conflict documentation shall be provided to and reviewed by the Board President.

## Conflict of Interest Policy

### Conflicts of Interest Acknowledgment and Disclosure Form

I have read the Conflict of Interest Policy and agree to comply fully with its terms and conditions at all times during my service as a Board member of The Open Door Shelter. If at any time following the submission of this form I become aware of any actual or potential conflicts of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify in writing the ODS President of the Board.

### Disclosure of Actual or Potential Conflicts of Interest:

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In signing this disclosure form I hereby acknowledge that the above information is true to the best of my knowledge.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_