

CONFLICT OF INTEREST POLICY

Bainbridge Island Senior Community Center (BISCC)

This conflict of interest policy is designed to help directors, officers, and employees of BISCC identify situations that present potential conflicts of interest and to provide BISCC with a procedure that, if observed, will allow a transaction 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. In the event there is an inconsistency between the requirements and the procedures prescribed herein and those in federal or state law or the bylaws of BISCC, the 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 BISCC and a Responsible Person or Family Member.
- (ii) A Contract or Transaction between BISCC 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.

- B. Outside Activities.

- (i) A Responsible Person competing with BISCC in the rendering of services or in any other Contract or Transaction with a third party.
- (ii) A Responsible Person's 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 competes with BISCC in the provision of services or in any other Contract or Transaction with a third party.

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

- (i) does or is seeking business with, or is a competitor of BISCC; or
- (ii) has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from BISCC;
- (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. 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 BISCC.

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, committee member, or member of the board of directors of BISCC.
- C. A *Family Member* is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- D. A *Material Financial Interest* in an entity is a financial interest of any kind 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.
- 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 of a charitable organization by BISCC. The making of a gift to BISCC is not a Contract or Transaction.

3. Procedures.

- A. Before board or committee action on a Contract or Transaction involving a Conflict of Interest, a Responsible Person 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 Responsible Person 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 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 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 BISCC has a Conflict of Interest when he or she stands for election as an officer or for re-election as member of the board of directors.
 - E. The board or committee may ask questions of and receive a presentation from the person who has a Conflict of Interest and any other interested person. The board or committee shall ascertain that all material facts regarding the transaction and the Conflict of Interest have been disclosed to the board or committee. After exercising due diligence, which may include investigating alternatives that present no conflict, the board or committee shall determine whether the transaction is in BISCC's best interest, for its own benefit, and whether it is fair and reasonable to BISCC. The majority of disinterested members of the board or committee may approve the transaction.
 - F. Responsible Persons who are not members of the board of directors of BISCC 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 Chair or the Chair'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 BISCC's participation in such Contract or Transaction.
 - G. In the event it is not clear that a Conflict of Interest exists, the individual with the potential Conflict of Interest shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
4. Violations. If the board has reasonable cause to believe that a Responsible Person has failed to disclose an actual or possible Conflict of Interest, including one arising from a Transaction with a related interested person, it shall inform the Responsible Person of the basis for this belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and making further investigation as warranted by the circumstances, the board determines that the person has failed to disclose an actual or possible conflict of interest, the board shall take appropriate disciplinary and corrective action.

5. Confidentiality. No Responsible Person shall disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of BISCC. Furthermore, no Responsible Person shall disclose or use information relating to the business of BISCC for the personal profit or advantage of the Responsible Person or a Family Member.
6. Review of Policy.
- A. 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 a not-for-profit organization, or ownership of a business that might provide goods or services to BISCC. 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 Chair, the Executive Director, and any committee appointed to address Conflicts of Interests, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
 - C. To ensure that the Organization operates in a manner consistent with its status as an organization exempt from federal income tax, the board shall authorize and oversee an annual review of the administration of this Conflict of Interest Policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved. Any changes to the policy shall be communicated immediately to all Responsible Persons.

Policy approved by the BISCC Board of Directors on August 8, 2018.

By: 
Colleen Keilbart, Secretary