

## CONFLICTS OF INTEREST POLICY

Section 1. Conflict of Interest. No member of the Board of Directors or any of its committees shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the Corporation. Each individual shall disclose to the Corporation any personal interest that he or she may have in any matter pending before the Corporation and shall refrain from participation in any decision on such matter. If individual members of the Board of Directors or any employee has a question about a possible conflict of interest, it is expected that he or she will seek the Board's advice.

Section 2. Purpose. The purpose of this policy is to ensure that the deliberations and decisions of the Corporation are made in the interests of the community as a whole, and to protect the interests of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an interested person (defined below), including an officer, director or other employee of the Corporation. An interested person may not use his or her position with respect to the Corporation, or confidential corporate information obtained by him or her relating to the Corporation, in order to achieve a financial benefit for himself or herself or for a third person. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

2.1 Conflict of interest issues may arise from a variety of sources: secondary employment, personal business activities and investments, vendor relationships, etc. When these potential conflict of interest situations arise, they must be reported to the President or to the Board for discussion and resolution.

2.2 In connection with any actual or potential conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the directors and members of committees with board-delegated powers concerning the proposed transaction or arrangement.

### Section.3. Definitions.

3.1 Interested Person. Any Director, principal officer or participant on a committee with board delegated powers who has a direct or indirect financial interest, or sits on a Board of a potential recipient, as defined below, is an Interested Person.

3.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

(a) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or

(b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(d) an existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of the Corporation.

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

#### Section 4. Procedures.

4.1 Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and all material facts to the Directors and participants on committees with board delegated powers considering the proposed transaction or arrangement.

4.2 Determining Whether a Conflict of Interest Exists. A Financial Interest is not necessarily a conflict of interest. An Interested Person who has a Financial Interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists. After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee participants shall decide if a conflict of interest exists.

#### 4.3 Procedures for Addressing the Conflict of Interest.

(a) An Interested Person may make a presentation at the Board or committee meeting, but after such presentation he/she shall leave the meeting during the discussion of and the vote on the transaction or arrangement that result in the conflict of interest.

(b) The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4.4 Duty to Abstain. Any member of the Board of Directors or committee who has a personal material interest in an issue being decided by the Board of Directors or the committee may not vote on questions relating to that issue.

4.5 Violations of the Conflicts of Interest Policy.

(a) If the Board or committee has reasonable cause to believe that an individual has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the individual and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the individual has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 5. Records of Proceedings. The minutes of the Board and all committees with board-delegated powers shall contain:

5.1 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.

5.2 the names of the persons who were present for discussion 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 therewith.

Section 6. Disclosure by Directors and Officers.

6.1 When requested by the Board of Directors or a conflicts committee (but not less frequently than once per year), each Director and officer shall promptly submit a statement to the Board or conflicts committee setting forth all business and other affiliations that relate in any way to the business and other affiliations of the Corporation.

6.2 With respect to any particular matter then pending before the Corporation, each Director and officer shall disclose to the Board or the conflicts committee any

(a) matter that could reasonably be considered to make the Director or officer an Interested Person; or

(b) relationship or other factor that could reasonably be considered to cause the Director or officer to be considered an Interested Person.

Section 7. Annual Statements. Each Director, principal officer, and participant on a committee with board-delegated powers shall annually sign a statement which affirms that such person has:

7.1 received a copy of the conflicts of interest policy;

7.2 read and understands the policy;

7.3 agreed to comply with the policy.

Section 8. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its non-profit purposes, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

8.1 Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.

8.2 Whether the agreements entered into further the Corporation's non-profit purposes and do not result in inurement or impermissible private benefit.

Section 9. Use of Outside Experts. In conducting the periodic review provided for in Section 8 above, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

No member of the Southern Arizona Volunteer Management Association (SAVMA) Board of Directors, Committees or Officers, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with SAVMA. Each individual shall disclose any personal interest which he or she may have in any matter pending before SAVMA and shall refrain from participation in any decision on such matter.

Any member of the Board, any Committee, or Officer of the Corporation who is an officer, board member, committee member, or staff member of a client organization or vendor of SAVMA shall identify his or her affiliation with such agency or agencies; further, in connection with any committee or board action specifically directed to that agency, s/he shall not participate in the decision affecting that agency and the decision must be made and/or ratified by the full Board.

Any member of the Board, any Committee, Officer, Staff, and certain Consultants shall refrain from obtaining any list of clients for personal or private solicitation purposes at any time during the term of their affiliation.

At this time, I am a board member, committee member, or an employee of the following organizations:

\_\_\_\_\_

\_\_\_\_\_

This is to certify that, except as described below, that I am not now nor at any time during the past year have been:

1. A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with SAVMA which has or could result in personal benefit to me.
2. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with SAVMA.

Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons or organizations having transactions with SAVMA.

\_\_\_\_\_

\_\_\_\_\_

I have received a copy of the SAVMA Conflicts of Interest Policy

_____	_____	_____
Board Member (Please print)	Signature	Date

_____	_____	_____
Board President (Please print)	Signature	Date