

# **Conflict of Interest Policy**

as consensed 12/13/2020

## **Article I - Purpose**

The purpose of this Conflict of Interest Policy is to define what may constitute a conflict of interest and to provide guidance to the board on how to proceed when a conflict of interest occurs.

## **Article II - Definitions**

### **1. Interested Person**

Any board member who has a direct or indirect financial interest in an issue being considered by the Board is an interested person.

### **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 Billy Foundation has a transaction or arrangement,
- b. A compensation arrangement with the Billy Foundation or with any entity or individual with which the Billy Foundation 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 Billy Foundation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the board or committee decides that a conflict of interest exists.

## **Article III - Procedures**

### **1. Duty to Disclose**

An interested person must disclose to the board the existence of an actual or perceived conflict of interest and be given the opportunity to disclose all material facts to the board of directors.

### **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, said members shall leave the-board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide by consensus if an actual or perceived conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

If a conflict of interest has been established, the following procedures shall be undertaken.

- a. The interested person may not actively participate in discussion before the board on an issue in which they have a conflict. They may, however, respond to clarifying questions posed by a board member. The board may choose to waive this requirement, however, if they feel the person's full participation would be helpful with the issue being discussed.
- b. The interested person must abstain from voting on any matter in which he/she/they have a conflict.
- c. The chairperson of the board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

### **4. Violations of the Conflicts of Interest Policy**

- a. 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.
- b. 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 disciplinary and corrective action which could include removal from the board.

## **Article IV – Records of Proceedings**

Board minutes shall contain:

- a. 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 governing board or committee'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.

### **Article V – Compensation**

A board member who receives compensation, directly or indirectly, from the Billy Foundation for services is precluded from voting on matters pertaining to that member's compensation and must stand aside.

### **Article VI – Annual Statements**

Each board member shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy.
- b. Has read and understands the policy.
- c. Has agreed to comply with the policy.

# Annual Statement regarding Conflicts of Interest

I hereby affirm that I have received a copy of the Billy Foundation conflicts of interest policy and have read and understand the policy.

To further the full disclosure required by Article III, Section 1, of the Billy Foundation conflicts of interest policy, I hereby declare the following financial interests (as that term is defined in Article II, Section 2 of the Billy Foundation Conflicts of Interest policy

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

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

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