

## purpose

The purpose of the 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 a NWYS Board member, committee member, or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace any state and federal laws governing conflict of interest arrangements applicable to nonprofit and charitable organizations.

## definitions

**Conflict of Interest:** A conflict of interest arises when a person participates in an organizational decision from which they could benefit, including indirect benefits such as to family members or businesses with which the person is closely associated.

**Interested Person:** Any Board member or committee member is an interested person.

**Committee Member:** An individual that commits to serve on one or more standing or ad hoc committees.

## policy & procedure

**Policy:** This policy addresses the individual disclosure of business and/or personal relationships. Interested persons, defined above, will conduct personal affairs in such a manner as to avoid any possible conflict of interest in association with their duties and responsibilities to Northwest Youth Services.

### Procedure:

#### I. Duty to Disclose

- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of any potential conflict of interest and be given the opportunity to disclose all material facts to the governing body considering the proposed transaction or arrangement.

#### II. Determining Whether a Conflict of Interest Exists

- After disclosure of potential conflicts of interest and all material facts, the Executive Committee will review potential conflicts. For each interest disclosed, the President will determine whether to: (a) take no action; (b) assure full disclosure to the Board (c) ask the person to recuse from participation in related discussions or decisions within NWYS; or (d) ask the person to resign from their affiliation with NWYS.

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

1. An interested person shall not participate in the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.



2. The NWYS President shall, if appropriate, appoint a disinterested person or a committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Board or Executive Committee shall determine whether NWYS 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 Executive Committee shall determine by a majority vote of the disinterested Board members whether the transaction or arrangement is in NWYS's best interest, for its own benefit, and whether it is fair and reasonable and make a decision as to whether to enter into the transaction or arrangement.

#### IV. Violations of the Conflicts of Interest Policy

1. If the Board or Executive Committee 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 governing body will determine if the member has failed to disclose an actual or possible conflict of interest and take corrective action.

#### V. Records of Proceedings

- The minutes of the Board or Executive Committee and all committees with Board delegated powers shall contain the names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest. Additionally, the minutes shall reflect the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board or Executive Committee's decision as to whether a conflict of interest in fact existed. It will also include the names of the persons who were present for discussions and votes relating to the transaction or arrangement.

#### VI. Compensation

- A voting member of the Board who receives compensation, directly or indirectly, from NWYS is precluded from voting on matters pertaining to that member's compensation.
- A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NWYS for services is precluded from voting on matters pertaining to that member's compensation.
- Anyone, except the Executive Director or someone designated by the committee, who receives compensation from NWYS, whether directly or indirectly or as employees or independent contractors, is precluded from membership on any committee whose jurisdiction includes compensation matters.
- No one covered under this policy shall solicit or accept gratuities, favors or anything of monetary value from contractors or applicants related to the selection, award or administration of such a contract

#### VII. Annual Statements

- Each Board member and committee member shall annually sign a statement which affirms that they have:



1. Received a copy of the conflicts of interest policy,
2. Read and understands the policy,
3. Agreed to comply with the policy and has disclosed any potential conflicts of interest
4. Understands that NWYS is a charitable organization 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.

VIII. Annual Policy Review

- The Conflict of Interest policy will be reviewed at least annually or more frequently if necessary. The policy will be amended to reflect changes in regulatory requirements or those of the organization.

**annual conflict of interest declaration**

I hereby acknowledge the following:

1. I have received a copy of the NWYS Conflict of Interest Policy, have read it and understand it.
2. I agree to comply with the policy and in the event of a change will take personal responsibility to immediately notify staff of any changes to my Conflict of Interest Declaration form.
3. I understand that NWYS is a charitable organization and in order to maintain its federal tax exemption must engage primarily in activities which accomplish its charitable purpose.

Please check one of the following boxes:

- My interests and relationships have not changed since my last disclosure of interests.
- I hereby disclose or update my interests and relationships that could give rise to a conflict of interest (Complete the chart below).

Type of Interest	Name or description of interest that could lead to a conflict of interest
Family Relationships (Including but not limited to: Spouse/domestic partner, living ancestors, siblings, children, grandchildren, and spouses/domestic partners of siblings, children, or grandchildren)	
Transactions or arrangements with the Organization	
Transactions or affiliations with other nonprofit organizations	
Substantial business or investment holdings	
Other transactions, affiliations, or arrangements	



## acknowledgement of policy

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed above or in a previous disclosure statement.

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**Signature**

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**Date**

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**Printed Name**

