

1

The Arc of Washington County, Inc.
Policies and Procedures

Conflict of Interest Policy

Purpose

The Arc of Washington County, Inc. is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of The Arc as a public trust which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public. Consequently, board members, staff and volunteers of The Arc/WC must have the responsibility of performing their duties and administering the affairs of the agency honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of The Arc/WC and people being supported. The interests of the agency and people being supported must be the first priority in all decisions and actions.

I. Application of Policy

This policy applies to board members, staff and volunteers of The Arc of Washington County, Inc. Persons covered under this policy are hereinafter referred to as “interested parties.”

II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of The Arc/WC. There are a variety of situations which raise conflict of interest concerns including, but not limited to, the following:

Financial Interests

A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by The Arc/WC. Examples include situations where:

1. The Arc/WC contracts to purchase or lease goods, services, or properties from an interested party, or a relative, or business associate of an interested party;
2. The Arc/WC purchases an ownership interest in or invests in a business entity owned by an interested party, or by a relative or business associate of an interested party;
3. The Arc/WC offers employment to an interested party, or a relative, or business associate of an interested party, other than a person who is already employed by The Arc/WC;
4. An interested party, or a relative or business associate of an interested party, is provided with a gift, gratuity or favor of a substantial nature, from a person or entity which does business, or seeks to do business, with The Arc/WC;
5. An interested party, or a relative or business associate of an interested party, is gratuitously provided use of the facilities, property, or services of The Arc/WC.

Other Interests

A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with The Arc/WC, or where his/her duty or responsibility owed to The Arc/WC conflicts with a duty or responsibility owed to some other organization. Examples include where:

1. An interested party seeks to obtain preferential treatment by The Arc/WC for himself, or relative, or business associate;
2. An interested party seeks to make use of confidential information obtained from The Arc/WC for his own benefit, or for the benefit of a relative, business associate, or other organization;
3. An interested party seeks to take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which he/she has reason to believe would be of interest to The Arc/WC.

III. Disclosure of Actual or Potential Conflicts of Interest

An interested party is under a continuing obligation to disclose any actual or potential conflict of interest as soon as it is known, or reasonably should be known.

An interested party shall complete a questionnaire to fully and completely disclose the material facts about any actual or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with The Arc/WC, and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as an actual or potential conflict arises.

For board members, the disclosure statements shall be provided to the President (Chairman) of the Board, or in the case of the President's disclosure statement shall be provided to the Secretary of the Board. Copies shall also be provided to the Executive Director of The Arc/WC.

In the case of staff or volunteers with significant decision-making authority, the disclosure statements shall be provided to the Executive Director of The Arc/WC, or in the case of the Executive Director's disclosure statement shall be provided to the President of the Board.

The Secretary of the board of directors shall file copies of all disclosure statements with the official corporate records of The Arc/WC.

IV. Procedures for Review of Actual or Potential Conflicts

Whenever there is reason to believe that an actual or potential conflict of interest exists between The Arc/WC and an interested party, the board of directors shall determine the appropriate

3

organization response. This shall include, but not necessarily be limited to, invoking the procedures described in Section V, below, with respect to a specific proposed action or transaction.

Where the actual or potential conflict involves an employee of The Arc/WC other than the Executive Director, the Executive Director shall, in the first instance, be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of The Arc/WC. The Executive Director shall report to the President of the Board the results of any review and the action taken. The President, in consultation with the Executive Committee, shall determine if any further board review or action is required.

V. Procedures for Addressing Conflicts of Interest - Specific Transactions

Where an actual or potential conflict exists between the interests of The Arc/WC and an interested party with respect to a specific proposed action or transaction, The Arc/WC shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the board of directors of the organization. The following procedures shall apply:

- An interested party who has an actual or potential conflict of interest with respect to a proposed action or transaction of the corporation shall not participate in any way in, or be present during, the deliberations and decision making of the organization with respect to such action or transaction. The interested party may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction.
- The disinterested members of the board of directors may approve the proposed action or transaction upon finding that it is in the best interests of The Arc/WC. The board shall consider whether the terms of the proposed transaction are fair and reasonable to the organization and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the board of directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

VI. Violations of Conflict of Interest Policy

4

If the Board of Directors or Executive Director has reason to believe that an interested party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the board determines the interested party has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and/or corrective action.

September 28, 2015

Date



Executive Director

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