**CORPORATION
CONFLICT OF INTEREST POLICY**

Adopted: \_\_\_\_\_\_\_\_\_\_

Revised: \_\_\_\_\_\_\_\_\_\_\_

**ARTICLE I
PURPOSE**

1. **Charitable Corporation**

The Directors and Officers of THE CORPORATION**,** (hereinafter the "Corporation") may only serve for the charitable purposes of this Corporation. It is contemplated that the Corporation shall not enter into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction.

1. **Protect the Corporation**

The purpose of this Conflict of Interest Policy is to protect the Corporation's interest in the event it should consider such a transaction or arrangement. This policy is intended to supplement but not replace any applicable New Hampshire and federal laws governing conflict of interest applicable to non-profit and charitable organizations.

**ARTICLE II
DEFINITIONS**

1. **Interested Person**

Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

1. **Financial Interest**

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

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement
with, any entity or individual with which the Corporation is negotiating.

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 appropriate governing board or committee decides that a conflict of interest exists.

**ARTICLE III
PROCEDURES**

1. **Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose in writing the existence of the financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with governing board-delegated powers considering the proposed transaction or arrangement.

1. **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, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

1. **Procedures for Addressing the Conflict of Interest**

If the Board or Committee decides that a conflict of interest exists, it shall follow these procedures:

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the Corporation 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. If it can do so with reasonable efforts, the governing board or committee shall choose a more advantageous transaction or arrangement that does not give rise to a conflict of interest over one that does.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a vote of the disinterested directors (1) whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and (2) whether it is fair and reasonable, notwithstanding the conflict of interest.

In conformity with the above determinations, the governing board or committee shall make its decision as to whether to enter into the transaction or arrangement, notwithstanding the conflict of interest, by the following procedures:

1. For a transaction less than $500 in a fiscal year, a simple majority vote of the disinterested directors or committee members in attendance is needed.
2. For a transaction involving more than $500, but less than $5,000 in a fiscal year, a two-thirds vote of the disinterested directors or committee members in intendance is needed.
3. For a transaction involving more than $5,000 in a fiscal year, a two-thirds vote of the disinterested directors or committee members in attendance is needed. If there is a two-thirds majority vote of the disinterested directors or committee members in attendance to proceed with a transaction or arrangement involving more than $5,000 in a fiscal year, then publication in a newspaper in general circulation in Rockingham County, and written notice to the Office of the New Hampshire Attorney General, Director of Charitable Trusts Unit, shall be required before consummating the transaction or arrangement.

e. In general, it is not considered a prohibited transaction or arrangement if an interested person receives:

(i) Reasonable compensation for services as an executive director, or expenses incurred in connection with official duties as a director or officer.

(ii) A benefit provided by the Corporation if:

1. The benefits are provided or paid as part of programs, benefits, or payments to members of the general public; and
2. The Corporation has adopted written eligibility criteria for such benefit in accordance with its By-Laws or applicable laws; and
3. The interested person meets all of the eligibility criteria for receiving such benefit.

(iii) A benefit pursuant to a continuing transaction entered into by the

Corporation, merely because a person with a financial interest therein subsequently

becomes an officer or director of the Corporation, but the votes (and notifications, if necessary) specified in Article III, 3(d)(i-iii) must still be conducted.

**4. Violations of the Conflict of Interest Policy**

1. If the governing board or committee has reasonable cause to believe that 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 board or committee determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**ARTICLE IV**

**PROHIBITED TRANSACTIONS**

1. **Loans**

The Corporation shall not lend money or property to any interested person nor receive a loan or property from an interested person.

1. **Real Estate Transactions**

The Corporation shall not give, sell, lease to or from any interested person, any real estate or any interest in real estate.

**ARTICLE V**

**RECORDS OF PROCEEDINGS**

**1. Minutes**

The minutes of the meetings of the governing board and all committees with board-delegated powers shall contain:

1. The name(s) of the person(s) who disclosed or otherwise was/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's or committee's decision as to whether a conflict of interest in fact existed.
2. The name(s) of the person(s) who was/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.

**2. Reports**

The Corporation shall maintain a list disclosing each and every transaction or arrangement with an interested person in which a conflict of interest was found, including the name(s) of the one(s) to whom the benefit accrued and the amount of the benefit. Such list shall be available for inspection by members of the Board of Directors and by contributors to the Corporation. The Corporation shall report this list to the Office of the New Hampshire Attorney General, Director of Charitable Trusts Unit each year as part of the Corporation's annual report, required by N.H. RSA 7:28. In addition, all those who received such benefits shall provide copies of all contracts, payment records, vouchers, other financial records or other financial documents at the request of the Director of Charitable Trusts Unit in accordance with N.H. RSA 7:24. All documents so provided may be disclosed to the public for inspection and copying, subject to applicable confidentiality laws.

**ARTICLE VI**

**COMPENSATION**

1. **Board Member Cannot Vote on Own Compensation**

A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services, is precluded from voting on matters pertaining to that member's compensation consistent with the procedures in Article III, 3(a).

1. **Committee Member Cannot Vote on Own Compensation**

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services, is precluded from voting on matters pertaining to that member's compensation.

1. **No Prohibition on Disclosure of Compensation**

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**ARTICLE VII**

**ANNUAL STATEMENTS**

**1. Receipt and Understanding of Policy**

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

a. Has received a copy of this Conflict of Interest Policy;

1. Has read and understood this Policy;
2. Has agreed to comply with this Policy; and
3. Understands that the Corporation is charitable 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.

**ARTICLE VIII**

**PERIODIC REVIEWS**

**1. Bi-Annual Reviews by Board**

To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its charitable status, periodic reviews shall be conducted at least bi-annually by the Board or a Committee thereof appointed by the Board. The periodic review shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation's charitable purposes and do not result in private inurement, impermissible private benefit or in an excess benefit transaction.

**ARTICLE IX**

**USE OF OUTSIDE EXPERTS**

**1. Assistance**

When conducting the periodic reviews as provided for in Article VIII, the Corporation may, but need not, use outside experts. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

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