

**United Way of the Mohawk Valley  
Conflict of Interest Policy  
Adopted (Revised name May 2021)**

Article I – Purpose

The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, member of senior management or director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit organizations.

Article II - Definitions

1. Interested Person

Any director, officer, key employee, member of senior management, or other board designated member of management or member of a committee with board delegated powers that has a direct or indirect financial interest, as defined below, 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 Corporation has a transaction or arrangement, or
- (b) a compensation arrangement with the Corporation other than as an employee 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. Such potential interest would exclude an ownership or investment interest of <1 %, provided there are no other employment contractors or financial arrangements with the entity or individual.

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

4. 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 committee or Board of Directors decides that a conflict of interest exists.

Article III – Procedures

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 must be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement. An annual statement of disclosure must

be submitted prior to the initial election of a director and by all interested persons each fiscal year and annually thereafter or whenever an actual or possible conflict arises.

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

## 3. Procedures or 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 results in the conflict of interest. Any interested person may rescue himself or herself at any time from involvement in any decision or discussion in which he or she believes that he or she has or may have a conflict of interest without going through the process of determining whether a conflict of interest exists.
- 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. Violation of the Conflicts of Interest Policy

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

## Article IV - Records of Proceedings

The minutes of the board and all committee with board-delegated powers shall contain-

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.

2. 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 therewith.

#### Article V – Compensation

1. A voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. 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.

#### Article VI - Annual Statements

Each officer, member of senior management, other board designated member of management, director and member of a committee with board delegated powers shall annually sign a statement which affirms that such person (i) has received a copy of the conflicts of interest policy; (ii) has received and understands the policy; (iii) has agreed to comply with the policy; and (iv)

understands that the Corporation is a non-profit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

A Conflict of Interest Disclosure Form is provided in Appendix.

Revised (name): May 2021

#### WHISTLE BLOWER POLICY

United Way of The Mohawk Valley ("the Corporation") Code of Ethics and Conduct ("Code") requires directors, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Corporation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.