

## **Summary of ANS Conflict of Interest Policy**

Requested by Maryland Association of Nonprofits? - Yes

This policy has been slightly revised to:

1. Expand the number of employees it covers (as requested by panel reviewing the ANS Certificate for Excellence application).
2. Clarify that maintaining the policy is the responsibility of the Governance Committee.

The Governance Committee approved the revised policy on September 24, 2008.

## **AUDUBON NATURALIST SOCIETY CONFLICT OF INTEREST POLICY**

The purpose of this policy is to define who are affected by this policy, identify types of conduct or transactions that raise conflict of interest concerns, set forth procedures for disclosure of actual or potential conflicts, and provide a review mechanism. Audubon Naturalist Society (ANS) Board of Directors, Board Committee Members and staff should always act in the best interest of the organization, rather than in furtherance of personal interests or the interests of third parties.

### **I. Scope**

This policy applies to the Board of Directors, to members of Board Committees who are not also Board members and to salaried staff. It does not apply to volunteers and staff who do not have significant independent decision making authority regarding the resources of the organization. Examples of positions not covered by this policy include volunteers, hourly employees, or occasional staff such as teachers, interns, or trip leaders.

### **II. Prohibited Practices**

Non-profits are currently highly regulated with respect to financial transactions that take place within the organization. Private gain, excessive personal benefit, self-dealing with Board members and staff are subject by law to penalties and sanctions. The American Competitiveness and Corporate Accountability Act of 2002 (the Sarbanes-Oxley Act) has also generally prohibited providing private loans to “insiders.”

### **III. Conduct or Transactions Raising Conflict of Interest Concerns**

These interests or actions may give rise to an actual, potential or perceived conflict of interest and thereby create a duty to disclose:

#### **A. Financial Interest**

A person has a financial interest in a decision or transaction of the Society if the person has, directly or indirectly, through business, investment or immediate family an actual or potential ownership or investment interest in or receives compensation from any entity with which the Society has a transaction or arrangement.

#### **B. Third Party Interests**

A person has a third party interest if he or she is a Board member, Committee member, or an employee of an entity with which the Society has a transaction or arrangement. A third party interest also exists where an immediate family member is an applicant for employment by the Society.

## **IV. Disclosure**

A financial or third party interest is not necessarily a conflict of interest. It would also be a mistake to prohibit working with Board Members and staff as vendors or prohibiting the employment by the Society of immediate family members. But these and similar situations create a duty to disclose and the need for a process to act upon such disclosures. Disclosure will take two forms.

### **A. Disclosure Statement**

Upon joining the Board of Directors or its committees and annually thereafter, members will read, sign and date the Disclosure Statement attached to this Policy Statement; they will give this statement to the President of the Board if they are Board members or to the Committee Chairperson if they are not Board Members. The President and Committee Chairpersons will keep the statements on file, turning them over to their successors, until they are superseded or the members' term ends. Salaried staff will also read, sign and date the Disclosure Statement and give it to their immediate supervisor. The completed Statement will be filed in their personnel folder. Salaried staff will complete a Statement upon employment and annually. A copy of this policy will be given to Board members and staff when they are asked to complete the Disclosure Statement.

### **B. Disclosure Practice**

Disclosure of actual, potential and perceived conflicts of interest will be a normal, routine practice at Board, Committee and staff meetings. If a member or staff makes a disclosure, it must be documented in the meeting's minutes. Staff disclosures will be documented by the Department Head or Executive Director and filed in the employee's personnel file.

### **C. Disclosure Procedure**

#### **1. Board of Directors and Committees**

The Board or Committee will discuss and vote upon whether a conflict of interests exists. The disclosing member will be excused from the room for this discussion and vote. The results will be documented in the meeting minutes. If it is determined that a conflict of interest exists, the member may not take part in discussion, votes or decision making on the subject giving rise to the conflict.

## **2. Staff**

The employee's supervisor will decide if a conflict of interest exists and document his or her decision for the employee's personnel file. The Executive Director will make disclosures to the President who will document his or her decision. If it is determined that a conflict of interest exists, the staff member may not take part in discussion, votes or decision making on the subject giving rise to the conflict.

### **V. Review**

The Board of Directors will periodically but at least annually review compliance with this policy.

### **VI. Effective Date**

This policy was approved by the ANS Board of Directors on March 10, 2004 and is effective upon its approval.

**AUDUBON NATURALIST SOCIETY  
CONFLICT OF INTEREST  
DISCLOSURE STATEMENT**

The standard of behavior at the Audubon Naturalist Society is that members of the Board of Directors and its committees and salaried staff scrupulously avoid conflicts of interest between the interests of the Society on one hand, and personal, professional, and business interest on the other. This includes avoiding potential and actual conflicts of interests, as well as perceptions of conflicts of interest.

I have read the Society policy on conflict of interest. I understand that the purposes of this policy are to protect the integrity of the Society's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the reputations of our Board, Committee members and staff.

In the course of meetings or activities, I will disclose any interest in a transaction or decision where I (including my business or other non-profit affiliations), my immediate family and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I may be prohibited from further involvement with the transaction or decision.

I understand that this policy is meant to supplement good judgment, and I will respect its spirit as well as the wording.

Signed \_\_\_\_\_ Date \_\_\_\_\_

**YOUR COPY TO KEEP**

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Signed \_\_\_\_\_ Date \_\_\_\_\_

**TURN IN TO PRESIDENT / COMMITTEE CHAIR / HUMAN RESOURCES**