

**FRIENDS OF CORVALLIS PARKS**  
**POLICY ON CONFLICTS OF INTEREST AND CONFIDENTIALITY**

Conflicts of interest, real or perceived, can undermine the Friends of Corvallis Park and Recreation's (Friends) ability to gain and retain support for its mission. The purpose of this Policy on Conflicts of Interest is to protect the Friend's tax-exempt status when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Friends. This policy is intended to help board members, committee members, contractors and employees identify situations that present potential conflicts of interest. Further this policy provides a procedure for validating a transaction even though a board member, committee member, contractor or employee has or may have a conflict of interest with respect to the transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**I. Definitions**

- A. A "conflict of interest" is any circumstance described in Part II of this document.
- B. A "responsible person" is any person serving as a board member, officer, committee member, employee or contractor of the Friends.
- C. A "friend or family member" is a friend, spouse, domestic partner, parent, child or spouse of a child, brother, sister or spouse of a brother or sister of a responsible person.
- D. A "financial interest" in an entity is a financial interest of any kind at any financial level. This includes all forms of compensation and all forms of ownership interest.
- E. A "contract or transaction" is an agreement or relationship involving the sale or purchase of goods, services, property rights of any kind, the providing or receipt of a loan or grant or the establishment of any other type of pecuniary relationship, including employment, in which the value of the good, service or property bought or sold is \$2,500.00 or more. This includes land-related transactions and business transactions. The making of a gift to the Friends is not a contract or a transaction.
- F. A "major donor" is an individual, corporation or foundation that makes a gift or pledge of cash, property, interest or other assets with a value of \$2,500.00 or more in a Friends fiscal year prior to the occurrence of the conflict of interest.

**II. Conflict of Interest Defined:** The following shall be deemed to create a conflict of interest.

- A. Outside Interest
  - 1. A contract or transaction between the Friends and a responsible person or friend or family member.
  - 2. A contract or transaction between the Friends and an entity in which a responsible person, friend or family member has a financial interest or of which such a person is a director, officer, agent, partner, associate, trustee,

- personal representative, receiver, guardian, custodian, conservator or other legal representative.
3. A contract or transaction between the Friends and a former responsible person who, by virtue of his or her continued involvement with the Friends, may appear to have a privileged relationship with Friends.
  4. A contract or transaction between the Friends and a major donor.
- B. Outside Activity
1. A responsible person who is competing with Friends in the rendering of services.
  2. A responsible person's having a financial interest in or serving as director, officer, director, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or a consultant to, an entity or individual that competes with Friends in provision of services.
- C. Gifts, Gratuities and Entertainment: a responsible person accepting gifts, entertainment or other favors from any individual or entity that:
1. Does or is seeking to do business with or is a competitor of Friends.
  2. Has received, is receiving or is seeking to receive a loan, grant, or to secure financial commitments from the Friends.
  3. Except that a responsible person in the normal course of business may accept the reasonable payment for meals, entertainment, or travel expenses that do not exceed \$250. This does not preclude the acceptance of a gift with a market value of \$100 or less.

### **III. Procedures**

- A. Members of the Friends Board of Directors will read and sign the Policy on Conflicts of Interest and Confidentiality before beginning official duties.
- B. The responsible person involved in a conflict of interest or potential conflict of interest shall disclose all material facts to the President of the Friends Board of Directors. The President shall insert discussion of the conflict of interest into the agenda of the next scheduled Board of Directors meeting. Disclosure of the conflict of interest shall be reflected in the minutes of the meeting. If possible, the responsible person will not proceed with the contract or transaction causing the conflict of interest until the Board has had an opportunity to discuss it in accordance with the guidelines described below. If more immediate action is needed, the responsible person may request a meeting with the Friends Executive Committee, which will discuss the contract or transaction in accordance with the guidelines below.
- C. The responsible person with a conflict of interest may not participate in or be physically present for the Board or Executive Committee discussion of the contract or transaction except to provide information specifically requested. This absence from the discussion shall be reflected in the minutes of the meeting.
- D. The responsible person having a conflict of interest may not vote on the contract of transaction and shall not be present when the vote is taken and when the

discussion regarding the vote occurs. The responsible person's absence from the vote shall be reflected in the minutes of the meeting.

- E. Approval of a contract or transaction affected by a conflict of interest shall occur only after the Board or Executive Committee makes specific findings, recorded in the minutes of the meeting, that reflect the following regarding the contract or transaction.
1. It is fair and benefits the Friends and furthers its mission
  2. It is approved with the full knowledge of the benefit to the responsible person involved in the contract or transaction
  3. In the event that the contract or transaction involves the provision of goods or services, a good faith effort was made to review the range of options for alternative provision of the goods and services.
  4. In the event that the contract or transaction involves a land interest, the Board of Directors or Executive Committee obtained an independent evaluation of the value of the interest.
  5. If requested by the Board or Executive Committee, a responsible person shall take a temporary leave of absence from Friends until completion of the contract or transaction in which the responsible person has a conflict of interest.

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

- A. If the Board of Directors has reasonable cause to believe a Board member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford her or him an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the Board member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

- V. **Confidentiality:** Each responsible person shall not disclose confidential information acquired in connection with such status or information the disclosure of which might reasonably be expected to be adverse to the interest of the Friends. Further, a responsible person shall not disclose or use information related to the business of Friends for the personal profit or advantage of the responsible person or a family member.

- VI. **Review of Policy:** The Friends shall review this policy every two years (even numbered years).

Reviewed and approved 3/20/2018

## AGREEMENT AND SIGNATURE

**Preamble:** The Friends of Corvallis Parks and Recreation (Friends) effectiveness is especially dependent on its credibility. It is essential to maintain our reputation for objectivity and fairness. At the same time, it is predicable that individual Board members, as landowners and members of the community, may be potential participants or provide professional business assistance in a transaction initiated by the Friends. Therefore, it is appropriate for the Friends to adopt specific policies and rules to deal with real or apparent conflicts of interest.

**Director's Obligations:** Each member of the Board of Directors has the following responsibilities.

1. Upon election to the Board, read the Friends Policy on Conflicts of Interest and Confidentiality and read and sign this Agreement and Signature document.
2. To disclose to the Board or committee the existence of any real or apparent conflict of interest as defined in Section II.A, II.B and II.C of the Policy on Conflicts of Interest and Confidentiality.
3. To abstain from discussing any issue involved in a conflict of interest, unless requested by the Board or a Committee thereof, to give information on the issue.
4. To absent himself or herself from Board or Committee discussions on any such project or transaction involving a conflict of interest, unless requested by the Board or committee to give information on the issue.
5. To abstain from voting on any such issue.
6. If requested by the Board, to take a temporary leave of absence from the Board of Directors until such time as the matter giving rise to the conflict of interest has been resolved.

**Board's Obligations:** If a transaction or project of the Friends involves a conflict of interest, whether real or apparent, by a member of the Board of Directors, the Board will do the following.

1. Approve of such a project or transaction only if the Board makes specific findings that (A) the transaction or project (i) is fair and benefits the Friends and its objectives, and (ii) is approved with the full knowledge of the economic benefit to the Director involved in the conflict of interest; and (B) the affected Director has not participated in the vote approving the transaction or project and was in fact absent during both the discussion of the transaction or project and at the time of the Board vote on this issue.
2. If the Board determines the nature and magnitude of the conflict of interest warrants the same, the Board shall request the affected Director take a leave of absence from the Board of Directors.

My signature below affirms that I have received a copy of the Conflicts of Interest and Confidentiality Policy and I understand the policy and agree to comply with the policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date