

SowHope.Org

## **Conflict of Interest Policy**

The standard of behavior at SowHope.Org is that all directors of the board, officers of the corporation, and staff employees scrupulously avoid conflicts of interest between the interests of SowHope.Org on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

I understand that the purposes of this policy are to:

1. Protect SowHope.Org's tax-exempt status and interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or staff member of the corporation
2. Protect the integrity of SowHope.Org's decision-making process, to enable it's constituencies to have confidence in its integrity, and to protect the integrity and reputations of its directors, officers, and staff.

Upon or before election, appointment, or hiring I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

In the course of meetings or activities, I will disclose any interests in a transaction or decision where I, my family, employer, or close associates (including my business or other nonprofit affiliations) will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I have read Article 9 Sections 1-4 of SowHope.Org's bylaws concerning Conflict of Interest and agree to abide by what is written therein.

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

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## **Article 9 of the Bylaws of SowHope.org Conflict of Interest Policy**

### **Section 1. Purpose of Conflict of Interest Policy.**

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation. 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.

### **Section 2. Definitions**

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

**b. 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 a transaction or arrangement.

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 Section 3, paragraph B, 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.

### **Section 3. Conflict of Interest Avoidance Procedures**

**a. Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and 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.

**b. 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.

"To inspire women around the world through wellness, education, and economic opportunities".

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

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.

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 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 majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

**d. Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe that someone has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the person's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Section 4. Records of Board and Board Committee Proceedings**

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

- a. 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. 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 with the proceedings.

**Adopted by resolution of the Board of Directors at the first board meeting on Jan 30, 2006.**

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**Signed by the Secretary of the Board**

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**Date**