

Conflict of Interest and Compensation Policy of Helderberg Neighborhood Association (HNA)

Adopted by the Board of Directors on February 8, 2021

I. Overview

1. Purpose

The purpose of this Conflict of Interest and Compensation Policy (the “policy”) is to protect the Association’s interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a director or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

2. Why is a policy necessary?

As a nonprofit association, we are accountable to our Members and are responsible for the proper use of its resources. Directors have a duty to act in the Association’s best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage the Association’s reputation and expose both the Association and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for the Association.

1. To whom does the policy apply?

This policy applies to all HNA Directors.

II. Identifying Conflicts of Interest

1. What is a conflict of interest?

A potential conflict of interest arises when a director, or that person’s relative^[1] or business (a) stands to gain a financial benefit from an action the Association takes or a transaction into which the Association enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director in discharging their duties to the Association.

2. What are some examples of potential conflicts of interest?

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a director or that person’s relative or business:

- has an ownership or investment interest in any third party that the Association deals with or is considering dealing with;
- serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that the Association deals with or is considering dealing with;
- receives or may receive compensation or other benefits in connection with an action the Association takes or a transaction into which the Association enters;
- receives or may receive personal gifts or loans from third parties dealing with the Association;
- serves on the board of directors of another nonprofit organization that is competing with the Association for a grant or contract;
- has a close personal or business relationship with a participant in a transaction being considered by the Association;
- would like to pursue an action or transaction being considered by the Association for their

personal benefit.

3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.
4. A potential conflict is not necessarily a conflict of interest. A person has a conflict of interest only if the Board decides, pursuant to Section IV of this policy, that a conflict of interest exists.[2]

III. Disclosing Potential Conflicts of Interest

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. If you feel there may be a potential conflict of interest, submit a letter or email to the Board disclosing all the material facts.
2. You must file an annual disclosure statement in the form at the end of this policy. This form must be submitted prior to the annual election. Directors who are added to the Board by Board election must submit this form before officially assuming the role. Submit the form to the chair and vice-chair of the Board and filed electronically in the Association's electronic document system (Google Docs).

IV. Determining Whether a Conflict of Interest Exists

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned director, the independent Directors shall determine whether there is a conflict of interest. The director shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.
2. In determining whether a conflict of interest exists, the independent directors shall consider whether the potential conflict of interest would cause an action taken by or transaction entered into by the Association to raise questions of bias, inappropriate use of the Association's assets, or any other impropriety.

V. Procedures for Addressing a Conflict of Interest

1. When a matter involving a conflict of interest comes before the board, the board may seek information from the director with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.
2. Additional Procedures for Addressing Related Party Transactions [3]
 - a. The Association may not enter into a related party transaction unless, after good faith disclosure of the material facts, the board determines that the transaction is fair, reasonable and in the Association's best interest at the time of such determination.
 - b. If the related party has a substantial financial interest, the board or authorized committee shall:
 - i. prior to entering into the transaction, consider alternative transactions to the extent available;
 - ii. approve the transaction by a vote of not less than a majority of the directors present at the meeting; and
 - iii. document in writing the basis for its approval, including its consideration of any alternative transactions.

VI. Minutes and Documentation

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the board; and
- d. if the transaction was approved, the basis for the approval.

VII. Prohibited Acts

The Association shall not make a loan to any director or officer.

[Helderberg Neighborhood Association]

Annual Conflict of Interest Disclosure Statement

The following constitute a conflict of interest:

1. any entity in which you participate (as a director, officer, employee, owner, or member) with which the Association has a relationship;
2. any transaction in which the Association is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest.

Check the applicable boxes below:

- I have received and read a copy of the Conflict of Interest Policy;
- I agree to comply with the policy;
- I have no actual or potential conflicts as defined by the policy OR I have the following conflicts, disclosed below:

By signing below, I affirm that I agree to this policy and have disclosed any potential conflicts.

Name / Position / Date:

Hilary Papineau / Chair / 5-12-21

Chris Halpin, Treasurer, 5/12/21

Eric Gee, Vice-Chair, 5/12/21

Dave Stadlander , Communications, 5-12-21

Mary Kohah / Community Outreach / 5/12/21

Julie Ruttan / Community Support / 5-12-21



Luke Nickerson



[1] Relative means a person's spouse or domestic partner, ancestors, brothers and sisters (whether whole or half- blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

[2] The board would decide both whether there is a conflict and how to handle the conflict; or (2) to a different board committee.

[3] A related party is:

- 1. a director of the Association or any affiliate of the Association, or**
- 2. a relative of any individual described in (1)**

A transaction is not a related party transaction if:

- 1. the transaction, or the related party's financial interest in the transaction, is *de minimis*;**
- 2. the transaction would not customarily be reviewed by the board or the boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms;**
- 3. the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the Association intends to benefit as part of the accomplishment of its mission (and that benefit is available to all similarly situated members of the same class on the same terms).**