

# **CONFLICT OF INTEREST POLICY for Berkeley Partners for Parks and Partner Groups**

## **Article I: Purpose**

The purpose of the conflict of interest policy is to protect the interests of Berkeley Partners for Parks (BPFP), a tax-exempt 501(c)(3) organization (Organization) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or Interested Person of the Organization or might result in a possible excess benefit 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.

## **Article II: Definitions**

1. Interested person: An interested person is any BPFP or partner-group director, officer or member of a committee with governing-Board-delegated powers who has a direct or indirect financial interest, as defined below.
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 in any entity with which the Organization has a transaction or arrangement;
  - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement.
3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
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 governing board, committee or partner group decides that a conflict of interest exists. In determining whether a conflict of interest exists, BPFP and its partner groups shall consider whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. They also should consider that their aim is primarily volunteer citizen effort. Transactions or arrangements with interested persons may at times be the most advantageous available, because of economy or expertise. But these transactions or arrangements should remain a minor and transient part of BPFP or the affected partner group's efforts.

## **Article III: Procedures**

### 1. Actual or Potential Conflicts of Interest Should Be Disclosed:

In connection with any actual or possible conflict of interest, an interested person must disclose all material facts to the directors and to members of committees with governing-Board-delegated powers considering the proposed transaction or arrangement, including affected or potentially affected partner groups. If such a conflict appears to exist and an interested person has not made it known, the President of the meeting is expected to make inquiry. Members of the Board and of partner groups who become aware of potential conflicts of interest should report them, following the procedures in the Organization's Whistleblower Policy.

### 2. How BPFP Should Address a Potential Conflict of Interest:

a. If the governing board, committee, or partner group has reasonable cause to believe 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. The chairperson of the governing board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. Any interested person may make a presentation at the governing board, committee or partner group meeting, but after the presentation, shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

d. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the remaining Board or Committee members shall decide if a conflict of interest exists.

e. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.

f. 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 Organization'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.

g. If the presentation referred to in (a) - (d) above takes place at a committee or partner group meeting, the information in Article IV, Records of Proceedings, shall be reported to the BPFP board, which will include the information in its minutes, and may at its option decide to address the possible conflict of interest through the procedures described in this document.

### 3. What BPFP Should Do if this Conflict of Interest Policy is Violated:

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

b. BPFP may, for reasons of time, submit grant or award applications that entail potential conflicts of interest. These do not abrogate either the right or duty to follow the procedures in this document in addressing the potential conflict. BPFP may refuse to accept a grant or other award if, after submitting such an application and later following the procedures outlined here, it decides not to enter into the arrangement involving the conflict of interest.

#### **Article IV: Records of Proceedings**

The minutes of the governing board shall contain the following:

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 governing 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 with the proceedings.

#### **Article V: Rules for People Receiving Compensation**

1. A voting member of the governing board or board of any partner group who receives compensation, directly or indirectly, from the Organization for services may not vote 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 Organization for services may not vote on matters pertaining to that member's compensation.
3. Persons receiving direct or indirect compensation are allowed to provide information to any committee or board regarding that compensation.

#### **Article VI: Statement to be Signed**

Each director, principal officer and representative or head of a partner group or of a committee with governing-board delegated powers shall sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that the Organization is charitable and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **Article VII: Periodic Reviews**

To ensure the Organization operates in a method consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The Board may delegate this task to two members who must report back to the Board when the review has been completed. These reviews shall, at a minimum, include the following subjects:

1. Compensation arrangements.
2. That all other arrangements conform to BPFP's written policies, are properly recorded and further our charitable purposes.

*Adopted by the Board June 14, 2010*