

## **Lakes & Pines' Policy Regarding Conflicts of Interest For Directors, Officers and Staff**

Preliminary note: In order to be more comprehensive, this policy and disclosure statement requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

- your spouse, domestic partner, child, mother, father, brother or sister;
- any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

The purpose of this policy is to protect the interest of the Lakes & Pines Community Action Council, Inc. (hereafter referred to as the "Agency") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer, Board of Director Member or staff member. This policy is intended to supplement, but not replace any applicable state or federal laws governing conflicts of interest applicable to nonprofit and tax exempt corporations.

Each member of the Board of Directors and the staff of the Community Action Agency (CAA) has a duty of loyalty to the CAA. The duty of loyalty generally requires a Director or staff member to prefer the interests of the CAA over the director's/staff's interest or the interests of others.

For the purposes of this Policy, an "Interested Person" is defined as a Director, Officer or member of a committee with governing board delegated powers or staff member who has a direct or indirect Financial Interest, as defined below. A person has a "Financial Interest" if the person has, directly or indirectly, through business, investment, or his or her immediate family/affiliated persons have:

1. an ownership or investment interest in any entity with which the Agency has a transaction or arrangement;
2. a compensation arrangement with the Agency (other than for services as an Officer, Director or employee) or with any entity or individual with which the Agency has a transaction or arrangement; or

**Mission Statement**

*To promote a focusing of all available resources upon the goal of enabling area low-income families and individuals of all ages to attain the skills, knowledge and motivations to secure the opportunities needed for them to become self-sufficient.*

3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Agency is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest only if the Agency's Board or a committee decides that a conflict of interest exists.

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and must be given the opportunity to disclose all material facts relating to his or her Financial Interest to the Agency's Board of Directors or a committee with board-delegated powers considering the proposed transaction or arrangement.

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person must leave the Board (or committee) meeting while the Financial Interest is discussed and voted upon. The remaining Board (or committee) members shall decide if a conflict of interest exists.

The Chairperson of the Board (or committee) shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the Board (or committee) shall determine by a majority vote of the disinterested directors (or committee members), whether the transaction or arrangement is in the Agency's best interest and for its own benefit and whether the transaction is fair and reasonable to the Agency and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

If the Board (or committee) has reasonable cause to believe that a person subject to this policy has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure. If, warranted in the circumstances, the Board (or committee) determines that the person has, in fact, failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

The minutes of meeting of the Board (or committee) shall contain: (i) 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; (ii) the nature of the Financial Interest; (iii) any action taken to determine whether a conflict of interest was present and the Board's (or committee's) decision as to whether a conflict of interest in fact existed; (iv) the names of the persons who were present for discussions and votes relating to the transaction or arrangement; (v) the content of the discussions, including any alternative to the proposed transaction or arrangement; and (vi) a record of any votes taken in connection therewith.

Each Director, Officer and member of a committee with board-delegated powers shall complete, sign and deliver to the Chairperson of the Board (or staff to the Executive Director) a Conflicts of Interest Policy Annual Statement and a Confidentiality Agreement at the time of his or her

initial election or appointment and annually thereafter. The Chairperson may also require the foregoing from such other key management employees as he or she shall determine is necessary. The Conflicts of Interest Policy Annual Statement shall be in such forms as are deemed appropriate by the Chairperson with advice from the Agency's counsel. The current forms are attached hereto as Exhibit A.

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Chairperson of the Board, Lakes & Pines CAC

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Date

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Executive Director, Lakes & Pines CAC

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Date

**EXHIBIT A**

**Lakes & Pines CAC, Inc.  
CONFLICTS OF INTEREST POLICY  
ANNUAL STATEMENT**

The undersigned, being a director, officer or member of a committee with board-delegated powers or staff member of Lakes & Pines CAC, Inc. (the "Agency") hereby acknowledges the following:

1. I have received a copy of the Agency's Policy Regarding Conflicts of Interest for Directors, Officers, and staff (the "Policy").
2. I have read and understand the Policy.
3. I agree to comply with the Policy.
4. I understand that the Policy applies to the Agency's Board of Directors, all committees and subcommittees having governing board-delegated powers and all officers; and the Policy applies to Agency staff.
5. I understand that the Agency is a charitable organization 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.
6. The following information concerning conflicts and potential conflicts is true, correct and complete to the best of my knowledge:

A. I serve or represent Lakes & Pines CAC in the following capacity: (check all that apply)

- Member of the Board of Directors
- Executive Committee
- Officer
- Committee Member Specify: \_\_\_\_\_
- Staff (position): \_\_\_\_\_

B. Have you or any of your affiliated persons provided services or property to or from Lakes & Pines CAC, Inc. in the past year?  Yes  No

If yes, please describe the services or property and if an affiliated person is involved, identify the affiliated person and your relationship with that person:

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C. I am a director, officer, employee or legal representative, or I have a material financial or beneficial interest in the following organizations which may have a conflict of interest with the Agency.

Organization:

Title:

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D. I am not, nor any affiliated person, involved in any activity or transaction, nor a party to a contract involving interest which could be found to be adverse to the Agency, except for the following:

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E. I am not, nor any affiliated person, pursuing any business opportunities which might adversely affect the Agency, except for the following:

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F. I bring to your attention the following potential conflicts of interest in addition to those, if any, disclosed in B, C, D and E above: (If none, insert "None")

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

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Signature