

Conflict of Interest Policy

Glendale Quilt Guild, Inc.

Approved by the Executive Board on May 2, 2018

Conflict of interest policy

1. Purpose

The purpose of this policy is to help board members of **Glendale Quilt Guild, Inc.** (called **The Guild** in this policy) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of The Guild and manage risk.

2. Objective

The Guild Board Members (called the **Board** in this policy) aims to ensure that board members are aware of their obligations to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of **The Guild**.

3. Scope

This policy applies to the board members of **The Guild**.

4. Definition of conflicts of interests

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the Glendale Quilt Guild. Personal interests include direct interests as well as those of family, friends, or other organizations a person may be involved with or have an interest in. It also includes a conflict between a board member's duty to **The Guild** and another duty that the board member has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the charity and must be managed accordingly.

5. Policy

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to the charity if they are openly and effectively managed. It is the policy of the Glendale Quilt Guild as well as a responsibility of the **Board**, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to **The Guild**.

The Guild will manage conflicts of interest by requiring board members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

5.1 Responsibility of the board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the charity
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The Guild must ensure that its board members are aware that **The Guilds'** 501 (c) status requires a conflict of interest policy and that they disclose any actual or perceived material conflicts of interests as required by the IRS.

5.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be raised with the **Board** and entered into board minutes. Where all of the other board members share a conflict, the **Board** should document in the Guild Board minutes so the proper disclosure occurs. The Guild Board minutes must be maintained by the Guild Recording Secretary who shall record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

5.3. Action required for management of conflicts of interest

Once the conflict of interest has been appropriately disclosed, the **Board** (excluding the board member disclosing and any other conflicted board member) must decide whether or not those conflicted board members should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the **Board** considering whether it is appropriate for the person conflicted to resign from the board.

5.4 What should be considered when deciding what action to take

- In deciding what approach to take, the **Board** will consider whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- the charity's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

The approval of any action requires the agreement of at least a majority of the **Board** (excluding any conflicted board member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting.

7. Compliance with this policy

If the **Board** has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with **The Guild**.

If a person suspects that a board member has failed to disclose a conflict of interest, they must discuss with the person in question and notify the board if there is still some concern

Contacts

For questions about this policy, contact the Glendale Quilt Guild Board president or other board members. Contact information is in the guild roster.