

Chapter:	Governance and General Administration		
Title:	Conflict Of Interest		
Policy: <input checked="" type="checkbox"/>	Review Cycle: Triennial	Adopted Date: 11.2020	Related Policies:
Procedure: <input type="checkbox"/>	Author: CEO/Designee	Review Date: 3.2023	Outside Employment Conflict of Interest

Purpose:

Hopeful Horizons (HH), as a nonprofit, tax-exempt Organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, it is a priority that the operations of HH fulfill all legal requirements to maintain tax-exempt status. HH also depends on the public trust and thus is subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between HH and its Board, officers and management employees a fiduciary duty of loyalty and fidelity. The Board, officers, and management employees have the responsibility of administering the affairs of HH honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Hopeful Horizons. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their position with HH or knowledge gained therefrom for their personal benefit. The interests of the Organization must have the first priority in all decisions and actions.

Scope:

This policy applies to

- All HH Staff
- Selected HH Staff, as specified: Management Employees
- HH Board Members
- HH Volunteers
- Other: Sub-contract Providers

Policy:

HH shall provide a means for any Covered Person to identify and report to the HHs' Board any direct or indirect Financial Interest and any actual or potential Conflict of Interest and, based on that information, to permit the Board to review such Financial Interests and Conflicts of Interest and provide a process for the Board to follow when managing Conflicts of Interest, all in accordance with applicable law.

A "Covered Person" subject to this policy includes members of the HHs' Board members and officers, and HH employees or agents who can influence the actions of Hopeful Horizons. For example, this includes all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning HH.

A. Key Areas in Which Conflict May Arise

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- Persons and firms supplying goods and services to HH;
- Persons and firms from whom HH leases property and equipment;

- Persons and firms with whom HH is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property;
- Competing or affinity organizations;
- Donors and others who support HH;
- Recipients of grants from HH;
- Agencies, organizations and associations that affect the operations of HH;
- Family members, friends, and other employees.

B. **Nature of Conflicting Interest:** A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in the above section. Such an interest might arise, for example, through

1. Owning stock or holding debt or other proprietary interests in any third party dealing with HH;
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with HH;
3. Receiving remuneration for services with respect to individual transactions involving HH;
4. Using HHs' time, personnel, equipment, supplies, or good will other than for approved activities, programs, and purposes; and/or
5. Receiving personal gifts or loans from third parties dealing with HH. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

C. **Interpretation of This Statement of Policy:**

The areas of conflicting interest and the relations in those areas that may give rise to conflict as listed in the above sections, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Board members, officers, and management employees will recognize such areas and relation by analogy.

The existence of the interests described in the above section does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances, that it is necessarily adverse to the interest of HH.

However, it is the policy of the Board that the existence of any of the interests described in the above section or any other conflicting interest shall be disclosed on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of Board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

D. **Conflict Of Interest Disclosure:**

Disclosure of potential conflicting interests should be made according to HHs' policy. Where a material conflicting interest exists, transactions with related parties may be undertaken only if all of the following are observed:

1. The material transaction is fully disclosed in the audited financial statement of the Organization;
2. The related party is excluded from the discussion and approval of such transaction;

3. A competitive bid or comparable valuation exists; and the HHs' Board has acted upon and demonstrated that the transaction is in the best interest of the Organization.

Staff disclosures shall be made to the HH Chief Executive Officer (CEO). In the event that the CEO has a potential conflict, and or when otherwise appropriate, such as when the CEO is on vacation, then the disclosure shall be to the Chairperson of the Governance Committee, or in absence of the Chairperson to any member of the Governance Committee. Once so disclosed, the CEO, or other proper party as described herein, shall determine whether a conflict exists and if so whether the conflict is material. In the event a material conflict of interest is found, the CEO, Governance Committee Chairperson, or the Governance Committee and/or the Board, where required, shall determine such future steps as are necessary to comply with this policy.

Upon initial appointment, and triennially thereafter, Board members shall be required to make an affirmative attestation as to their receipt of the Conflict of Interest Policy and acknowledging any known conflicts as defined by the policy. Any subsequent disclosure concerning a Member of the Board shall be made directly to the Governance Committee or the Executive Committee of the Board, where appropriate, such as when the potential conflict is with any member of the Governance Committee. The Governance Committee or Executive Committee, where appropriate, shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to HH. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of HH and the advancement of its purpose.

Communication and Training:

New Board members and employees designated as covered persons as defined by this policy shall receive initial orientation inclusive of the Conflict of Interest Policy. Board members and designated employees shall receive notice of changes to the Conflict of Interest policy as they occur.

Definitions:

1. Conflict of Interest: A Conflict of Interest arises when a Covered Person participates or proposes to participate in a transaction, arrangement, proceeding or other matter for the Entity in which the covered person has a financial interest.
2. Covered Person: A person subject to the terms of this policy including HHs' Board members, Executives and management staff.

Other Related Materials:

Conflict of Interest Form

References/Legal Authority:

IRS Conflict of Interest Guidelines, Policies and Pronouncements for Charitable Tax-Exempt Nonprofit Entities

Change Log:

Date of Change	Description of Change	Responsible Party
03.2023	Updated to policy template and added completion of Conflict of Interest Form	N. Miller, Program Evaluation