

Maryland Association of Nonprofit Organizations

Conflict of Interest Policy

I. Application of Policy

This policy applies to board members, staff and certain volunteers of Maryland Association of Nonprofit Organizations, Inc. (Maryland Nonprofits). A volunteer is covered under this policy if that person has been granted significant independent decision making authority with respect to financial or other resources of the organization. Persons covered under this policy are hereinafter referred to as interested parties.

II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of Maryland Nonprofits. There are a variety of situations which raise conflict of interest concerns including, but not limited to, the following:

Financial Interests - A conflict may exist where an interested party or a relative or business associate of an interested party directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization. Examples include situations where:

- Maryland Nonprofits contracts to purchase or lease goods, services, or property from an interested party or a relative or business associate of an interested party;
- Maryland Nonprofits purchases an ownership interest in or invests in a business entity owned by an interested party or by a relative or business associate of an interested party;
- Maryland Nonprofits offers employment to an interested party or a relative or business associate of an interested party, other than a person who is already employed by the organization;
- an interested party or a relative or business associate of an interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity which does business or seeks to do business with Maryland Nonprofits;
- an interested party or a relative or business associate of an interested party is gratuitously provided use of the facilities, property, or services of Maryland Nonprofits.

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party obtains a non-financial benefit or advantage

that he would not have obtained absent his/her relationship with Maryland Nonprofits, or where his/her duty or responsibility owed to Maryland Nonprofits conflicts with a duty or responsibility owed to another organization. Examples include when:

- an interested party seeks to obtain preferential treatment by Maryland Nonprofits for her/himself or relative or business associate;
- an interested party seeks to make use of confidential information obtained from Maryland Nonprofits for her/his own benefit or for the benefit of a relative, business associate, or other organization; or
- an interested party seeks to take advantage of an opportunity or enable a relative, business associate or other organization to take advantage of an opportunity which s/he has reason to believe would be of interest to Maryland Nonprofits.

III. Disclosure of Actual or Potential Conflicts of Interest

An interested party is under a continuing obligation to disclose any actual or potential conflict of interest as soon as it is known or reasonably should be known.

An interested party shall complete a questionnaire, in the form attached hereto as Appendix A, to fully and completely disclose the material facts about any actual or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with Maryland Nonprofits, and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as an actual or potential conflict arises.

For board members, the disclosure statements shall be provided to the President (Chairman) of the Board. The President's (Chairman's) disclosure statement shall be provided to the Secretary of the Board. Copies shall also be provided to the Chief Executive Officer of Maryland Nonprofits.

In the case of staff or volunteers with significant decision making authority, the disclosure statements shall be provided to the Chief Executive Officer of the organization. The Chief Executive Officer's disclosure statement shall be provided to the President (Chairman) of the board.

The Secretary of the Board shall file copies of all disclosure statements with the official corporate records of Maryland Nonprofits.

Whenever there is reason to believe that an actual or potential conflict of interest exists between Maryland Nonprofits and an interested party, the board of directors shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedures described in Section IV, below, with

respect to a specific proposed action or transaction.

IV. Procedures for Addressing Conflicts of Interest - Specific Transactions

Where an actual or potential conflict exists between the interests of Maryland Nonprofits and an interested party with respect to a specific proposed action or transaction, Maryland Nonprofits shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the board of directors of Maryland Nonprofits. The following procedures shall apply:

- An interested party who has an actual or potential conflict of interest with respect to a proposed action or transaction of the corporation shall not participate in anyway in, or be present during, the deliberations and decision making of Maryland Nonprofits with respect to such action or transaction. The interested party may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction.
- The disinterested members of the board of directors may approve the proposed action or transaction upon finding that it is in the best interests of the corporation. The board shall consider whether the terms of the proposed transaction are fair and reasonable to Maryland Nonprofits and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with an entity that is not an interested party.
- Approval by the disinterested members of the board of directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

V. Violations of Conflict of Interest Policy

If the board of directors has reason to believe that an interested party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the board determines that the interested party has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Maryland Association of Nonprofit Organizations, Inc.

**Conflict of Interest Policy
Annual Affirmation of Compliance
and Disclosure Statement**

I have received and carefully read the Conflict of Interest Policy for board members, staff, and volunteers of Maryland Nonprofits and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that Maryland Nonprofits Inc. 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.

Except as otherwise indicated in the Disclosure Statement and any attachments, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of Maryland Nonprofits, nor does any relative or business associate of mine have such an actual or potential conflict of interest.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the President (Chairman) of the board of Directors of Maryland Nonprofits or to the Chief Executive Officer, as applicable.

I further certify that the information set forth in the Disclosure Statement and any attachments is true and correct to the best of my knowledge, information, and belief.

Name (Please print) _____

Signature

Date

Disclosure Statement

Please complete the questionnaire below indicating any actual or potential conflicts of interest. In answering these questions, please refer to any current relationship or transaction, or any which have taken place in the last twelve months. If you answer yes to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by Maryland Nonprofits.

Has Maryland Nonprofits contracted to purchase or lease goods, services, or property from you or from any of your relatives or business associates? Yes
No

If yes, please describe:

Has Maryland Nonprofits purchased an ownership interest in or invested in a business entity owned by you or owned by any of your relatives or business associates? Yes
No

If yes, please describe:

Has Maryland Nonprofits offered employment to you or to any of your relatives or business associates other than a person who was already employed by the organization? Yes
No

If yes, please describe:

Have you or have any of your relatives or business associates been provided with a gift, gratuity, or favor of a substantial nature from a person or entity which does business or seeks to do business with Maryland Nonprofits? Yes
No

If yes, please describe:

Have you or any of your relatives or business associates been gratuitously provided use of the facilities, property, or services of Maryland Nonprofits?

Yes
No

If yes, please describe:

Other Interests - A conflict may also exist where an interested party or a relative or business associate of an interested party obtains a non-financial benefit or advantage that s/he would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to Maryland Nonprofits conflicts with a duty or responsibility owed to some other organization.

Did you obtain preferential treatment by Maryland Nonprofits for yourself or for any of your relatives or business associates?

Yes
No

If yes, please describe:

Did you make use of confidential information obtained from Maryland Nonprofits for your own benefit or for the benefit of a relative, business associate, or other organization?

Yes
No

If yes, please describe:

Did you take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which you had reason to believe would be of interest to Maryland Nonprofits?

Yes
No

If yes, please describe: