

NYSILC Conflict-of-Interest Policy
Updated 4/2/2013

Preamble

Members of the board of directors, officers, the Executive Director (for the purposes of this policy, collectively referred to as the “Management Persons”) of the New York State Independent Living Council, Inc. (NYSILC) must not act in their personal interests, or in the interests of others, with respect to organization affairs but must act exclusively in the interest of the Organization. Management Persons must have undivided loyalty to the Organization and may not use their positions as Management Persons, or use the Organization’s property, in a manner that allows them to obtain a financial benefit for themselves or others to the detriment of the Organization.

Duties of Management Persons

Duty of Care: The duty of care requires that Management Persons be familiar with the Organization’s finances and operations, and it requires that Management Persons participate regularly in the Organization’s governance. In carrying out these duties, Management Persons must act in good faith using the degree of diligence, care and skill which prudent people would use in similar positions and under similar circumstances.

Duty of Loyalty: Management Persons are charged with the duty to keep the interests of the Organization paramount to all other interests in decision making with respect to the Organization. No Management Person shall engage in any transaction or arrangement involving the Organization that confers secret profits or unfair gains to Management Persons or others. This duty of loyalty requires, among other things, that any conflict-of-interest be disclosed fully and completely.

Duty of Obedience: Management Persons should ensure that the Organization remains compliant regarding its exempt, or central, purpose as typically defined in its articles or certificate of incorporation.

Conflict-of-Interest

No member shall decide or act on any matter in which he or she has a financial interest. A conflict-of-interest may occur when a Management Person is influenced in his or her decision making by personal, business, financial or other factors not solely related to the Organization’s best interests. Business transactions of the Organization in which a Management Person has a financial interest (as defined) must be closely scrutinized. Prior to entering into business transactions with Management Person, the proposed transactions must be carefully reviewed to determine that such transactions are in the best interests of the Organization.

Duty to Disclose: Prior to the commencement of any negotiations with respect to a proposed transaction involving a Management Person with a financial interest in the proposed transaction (the “Interested Party”), the Interested Party must make full disclosure, to the best of his or her knowledge, of any dual interest in the proposed transaction by submitting a report to the Board of Directors (the “Council”), or any committee designated by the Council to handle such matters (the “Executive Committee”), disclosing why the proposed transaction or arrangement may or may not be in the best interest of the Organization.

Determination of Conflict:

No member shall make a decision or take any action if he or she has a financial interest in the outcome of such act or decision. In the event, however, that a financial interest is disclosed and there exists a legitimate question as to whether a conflict-of-interest exists regarding such financial interest, the Board shall decide if a conflict-of-interest exists. After disclosure of all material facts relating to the financial interest to the Council or Executive Committee, as applicable, the Interested Party shall depart the Council or Executive Committee meeting while the determination of conflict-of-interest is discussed and is voted on by the members.

The Council or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising its due diligence, the Council or Executive 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not involving a conflict, the Council or Executive Committee shall determine by a majority vote of its disinterested members whether the proposed transaction or arrangement is in the Organization's best interest and whether it is fair and reasonable.

Violation: If the Council or Executive Committee has reasonable cause to believe that a Management Person has failed to comply with this conflict-of-interest policy, the Council or Executive Committee may inform the Management Person of the basis for such belief and afford her or him an opportunity to explain the alleged failure to comply. After hearing the response and making such further investigation as may be warranted in the circumstances, if the Council or Executive Committee determines that such Management Person has in fact failed to comply with this conflict-of-interest policy, it may take action including, among other things, removal or termination of such Management Person.

A Management Person who receives compensation, directly or indirectly, from the Organization is precluded from voting on matters related to such compensation. Compensation paid by the Organization must be reasonable and necessary.

Gifts

Management persons are prohibited from receiving or giving any gift that is not permitted by generally accepted business ethical standards. If there is a dispute with respect to such ethical standards, the Executive Committee shall determine if a gift is prohibited. Management persons may not accept a gift other than a gift of nominal value, without the approval of the Executive Committee.

Records

The minutes of the Council or Executive Committee meeting, during which a potential or actual conflict of interest was discussed, shall contain:

- The name of the Management Person who disclosed an actual or potential conflict-of-interest or otherwise was found to have a conflict-of-interest and the nature of the conflict-of-interest and

- Any action taken to determine whether a conflict-of-interest was present and the decision of the Council or Executive Committee as to whether a conflict-of-interest existed; and a decision as to whether the transaction was approved notwithstanding the conflict; and
- The names of the persons who were present for discussions and votes relating to the transaction or arrangement.

Definitions

Financial Interest- a person has a financial interest if the person has, directly or indirectly, through business, investment, or family (as defined below):

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
2. A compensation arrangement with any entity or individual with which the Organization has a transaction or arrangement; and/or
3. An ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Family-for purposes of this conflict-of-interest policy, family means spouse, parents, brothers, sisters, children, grandchildren, the spouses of children and grandchildren, aunts, uncles or cousins, and any other blood relative that resides in the same household as the Management Person.

Management Person Affirmation Statement and Disclosure Statement

Each Management Person shall annually sign a Management Person Disclosure Statement which affirms that such person:

- Has received a copy of the conflict-of-interest policy
- Has read and understands the policy
- Has agreed to comply with the policy

Each Management Person has a duty to place interests of the Organization foremost in any dealings involving the Organization and has a continuing responsibility to comply with the requirements of this conflict-of-interest policy. In connection therewith, if there is any question in the Management Person's mind about whether or not to disclose his or her interest in a transaction or arrangement, the Management Person should disclose the interest.

This policy is intended to supplement but not replace any applicable state and federal laws governing private inurement or conflict-of-interest issues with respect to tax-exempt organizations.

Management Person Disclosure Statement

Name: _____

Title: _____

1. Please list all organizations 1) in which you have a financial interest (as defined in the Organization's attached conflict-of-interest policy) or 2) in which you hold a position as an officer, director, general manager or other position, if such organizations engage in business with the Organization or if you anticipate that such organizations will do business with the Organization in the coming fiscal year.

Please respond N/A if you have no organizations to disclose.

Please describe the nature of each business transaction:

2. Please provide a description of all business transactions involving the Organization in the past fiscal year 1) in which you had, or have, a financial interest (as defined) or 2) that involved an entity or organization in which you hold a position as an officer, director, general manager or other position. Provide a brief description of each transaction and a description of your interest in the transaction. Please respond N/A if you have no transactions to disclose.

The answers to the foregoing questions are stated to the best of my knowledge and belief. I also acknowledge receipt of the Organization's conflict-of-interest policy which I understand and will comply.

Date: _____

Signature: _____

Title: _____ (Print) Name: _____