

**Appendix B**  
**OLD TOWN TRIANGLE ASSOCIATION**  
**CONFLICT OF INTEREST POLICY**

**SECTION 1. PURPOSE:**

The Old Town Triangle Association (FEIN 36-2336401) (“OTTA”) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of OTTA as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between OTTA and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of OTTA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of OTTA. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

Additionally, the OTTA’s annual IRS Form 990 responds ‘Yes’ to the questions of whether the organization has a written conflict of interest policy, and whether board members, officers and key employees are asked annually to disclose potential conflicts as well as whether the organization “regularly and consistently monitors and enforces” compliance with the policy.

**SECTION 2. PERSONS CONCERNED:**

This statement is directed not only to directors and officers, but to all employees who can influence the actions of OTTA. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel", and anyone who has proprietary information concerning OTTA.

**SECTION 3. 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:

1. Persons and firms supplying goods and services to OTTA.
2. Persons and firms from whom OTTA leases property and equipment,
3. Persons and firms with whom OTTA is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing, affinity or partner organizations.
5. Donors and others supporting the OTTA.
6. Recent OTTA grantees, current or anticipated OTTA grant applicants.
7. Agencies, organizations, and associations which affect the operations of OTTA.
8. Family members, friends, and other OTTA employees.

Family members are defined as an individual’s parents, spouse, domestic partner, siblings and children or those

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living at the same address.

**SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with OTTA.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with OTTA.
3. Receiving remuneration for services with respect to individual transactions involving OTTA
4. Using other than OTTA's time, personnel, equipment, supplies, or goodwill for approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing, desiring to deal, competing with, benefitting or potentially benefitting from grants from the OTTA.
6. Receipt of any gift is disapproved except gifts from conflicting parties of a value less than \$50, which could not be refused without discourtesy. No personal gift of money from conflicting parties should ever be accepted.

**SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean 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 it is necessarily adverse to the interests of OTTA.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

**SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

In order to protect the integrity of the Board and to avoid a real or perceived conflict of interest, the following rules shall apply to all Board members and key employees of the OTTA.

1. Whenever a director or officer has a financial or personal interest in any matter coming before the board of directors, the board shall ensure that:
  - a. The interest of such officer or director is fully disclosed to the board of directors.

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- b. No interested officer or director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting of the board of directors at which such matter is voted upon.
  - c. Any transaction in which a director or officer has a financial or personal interest shall be duly approved by members of the board of directors not so interested or connected as being in the best interests of the organization.
  - d. Payments to the interested officer or director shall be reasonable and shall not exceed fair market value.
  - e. The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.
2. A person who has a Conflict of Interest shall not participate in the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
  3. A person who has a Conflict of Interest with respect to a Contract, Transaction or Grant that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.
  4. The person having a conflict of interest may not vote on the Contract, Transaction or Grant and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
  5. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or the President or the President's designee, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.
  6. Review of policy.
    - a. Each director, officer and employee shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
    - b. Annually each director, officer and employee shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to OTTA. Any such information regarding the business interests of a director, officer or employee, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the President, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
    - c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated to all staff.

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**YEAR START: Basic Conflict of Interest Disclosure Form**

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

Name: \_\_\_\_\_

Position (employee/volunteer/trustee): \_\_\_\_\_

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between the **Old Town Triangle Association** and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report

\_\_\_\_\_ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of the **Old Town Triangle Association**.

Signature: \_\_\_\_\_

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

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**START OF YEAR: GIFT POLICY AND DISCLOSURE  
FORM**

As part of its conflict of interest policy, OTTA requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals, organizations or companies that seek to do business with OTTA, are a competitor of OTTA, or are recent OTTA grantees or current or anticipated grant applicants. This policy and OTTA disclosure form is intended to implement that prohibition on gifts.

**Section 1.** “Responsible Person” is any person serving as an officer, employee or a member of the board of directors of OTTA.

**Section 2.** “Family Member” is defined as parents, spouse, domestic partner, siblings, children or those living at the same address of a Responsible Person.

**Section 3.** “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to OTTA is not a “contract” or “transaction.”

**Section 4.** Prohibited gifts, gratuities and entertainment. Except as approved by both the President and the 1<sup>st</sup> Vice President or their designees or for gifts of a value less than \$50 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with OTTA or,
2. Does or seeks to compete with OTTA or,
3. Has received, is receiving, or is seeking to receive a Grant, Contract or Transaction with OTTA.

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**GIFT STATEMENT**

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

Signature \_\_\_\_\_

Date \_\_\_\_\_

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**YEAR END: CONFLICT OF INTEREST DISCLOSURE  
STATEMENT**

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also 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:

- a. your parents, spouse, domestic partner, siblings and children or those living at the same address;
- b. 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
- c. 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.

1. NAME OF EMPLOYEE OR BOARD MEMBER (Please print)

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2. CAPACITY

- Board Member
- Committee Member
- OTTA Employee

3. Have you or any of your affiliated persons provided services or property to OTTA in the past year?

YES

NO

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

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4. Have you or any of your affiliated persons purchased services or property from OTTA in the past year?

\_\_\_\_\_ YES  
\_\_\_\_\_ NO

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

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5. Please indicate whether you or any of your affiliated person had any direct or indirect interest in any business transaction(s) in the past year to which party?

\_\_\_\_\_ YES  
\_\_\_\_\_ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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6. Were you or any of your affiliated persons indebted to pay money to OTTA at any time in the past year (other than travel advances or the like)?

\_\_\_\_\_ YES  
\_\_\_\_\_ NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from or as a result of your relationship with OTTA, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to OTTA?

YES  
 NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving OTTA?

YES  
 NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by OTTA's Board in accordance with the terms and intent of OTTA's conflict of interest policy?

YES  
 NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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I HEREBY CONFIRM that I have read and understand OTTA's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I

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agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Board immediately.

Signature \_\_\_\_\_ Date \_\_\_\_\_