

PENOBSCOT VALLEY KENNEL CLUB
Conflict of Interest Policy

Article I
Purpose and Overview

Board Members of Penobscot Valley Kennel Club (hereinafter referred to as the Club) have an obligation to carry out their responsibilities within guidelines that minimize and make transparent actual or potential Conflicts of Interest.

This Conflict of Interest Policy establishes an ethical framework of transparency within which the Club wishes to conduct its affairs.

The purpose of this Policy is to provide general direction so that officers of the board and other board members and/or consultants that might be hired will be aware of and comply with their obligations.

One kind of Conflict of Interest exists when an Interested Person has an Outside Commitment Interest that may be substantially affected by a matter under discussion by the Club, as specified in Article II.2.

A second kind of Conflict of Interest exists when an Interested Person stands to receive a Substantial Financial Benefit from the matter under discussion, also as specified in Article II.3.

If an Interested Person or the Board believes that a Conflict of Interest may exist, the Interested Person and the Board shall follow the procedures outlined in Article III. These procedures entail disclosure and, in certain cases, recusal.

This Policy also addresses restrictions on compensation decisions, as well as confidentiality provisions.

Article II
Definitions

1. Interested Person

Any current or recent (within the past 12 months) officer, board member or consultant of the Club is an Interested Person.

2. Outside Commitment Interest

An Interested Person has an Outside Commitment Interest if the person has, directly or indirectly, or through a Family Member:

- a. A legal commitment, including by virtue of employment or a volunteer position, to serve the best interests of another entity or individual; or

- b. An actual or potential ownership interest in any entity.

An Outside Commitment Interest is not necessarily a Conflict of Interest. Under Article III, Section 3, an Interested Person who has an Outside Commitment Interest may have a Conflict of Interest only if the Board determines that a Conflict of Interest exists.

3. Substantial Financial Benefit

A Substantial Financial Benefit is a financial benefit that is more than *de minimis* (\$250) and is not incidental to a larger benefit to the general public.

4. Family Member.

A Family Member is a:

- (a) spouse or domestic partner;
- (b) parent or grandparent;
- (c) child, grandchild or great grandchild;
- (d) brother or sister; or
- (e) spouse or domestic partner of a child, parent, brother, sister, grandchild or great grandchild.

5. Conflict of Interest. A Conflict of Interest shall exist if:

- (a) an Interested Person has an Outside Commitment Interest that will be substantially affected, either positively or negatively, by the matter under discussion; or
- (b) there is a significant chance that an Interested Person or a Family Member of an Interested Person will receive a Substantial Financial Benefit from the matter under discussion.

Article III Procedures

1. Duty to Disclose

Any Interested Person having knowledge of any actual or potential Conflict of Interest must disclose the existence of the Outside Commitment Interest or Substantial Financial Benefit and be given the opportunity to disclose all material facts to the Board directors.

2. Legal Advice and Other Avenues

The Board may seek legal advice if it is uncertain as to whether a conflict exists, or as to how to address a conflict. The President of the Board may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. In exceptional circumstances involving significant transactions, the Board may request that the transaction be approved by the Attorney General or by the Superior Court in an action in which the Attorney General is joined as a party, in accordance with 13-B Maine Revised Statutes Annotated section 718(3), as amended.

3. Determining Whether a Conflict of Interest Exists

After disclosure of the Outside Commitment Interest or Substantial Financial Benefit and all material facts, and after any discussion with the Interested Person(s), the disinterested Board members shall determine if a Conflict of Interest exists.

The determination that a Conflict of Interest exists shall not preclude the Board (other than the conflicted Interested Person(s)) from approving the matter, but such determination shall require the Board to follow the procedures outlined in Article III, Section 4 hereinbelow.

4. Procedures for Addressing the Conflict of Interest

a. An Interested Person who has a Conflict of Interest may make a presentation at the Board meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the Conflict of Interest.

b. If the Conflict of Interest involves a Substantial Financial Benefit to the Interested Person, after exercising due diligence, the Board may consider whether the Club can obtain with reasonable efforts a more advantageous transaction from an individual or entity that would not give rise to a Conflict of Interest.

c. The Board shall determine by a majority vote of the disinterested Board members whether the transaction is in the Club's best interest, for its own benefit, and whether it is fair and equitable to the Club. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction, and upon what terms, if any, to minimize the Conflict of Interest.

4. Violations of the Conflicts of Interest Policy

a. If the Board has reasonable cause to believe an Interested Person has failed to disclose an Outside Commitment Interest or Substantial Financial Benefit, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board determines the person has failed to disclose an Outside Commitment Interest or a Substantial Financial Benefit, it shall take appropriate steps to remedy the non-disclosure.

c. Failure to identify an Outside Commitment Interest or a Substantial Financial Benefit at the time a transaction or arrangement is entered into shall not automatically void the transaction or arrangement, and the Board may follow the procedures of this Article III after the consummation of the transaction or arrangement.

(Refer to the Club's bylaws for possible remedies)

Article IV Records of Proceedings

The minutes of the Board shall contain:

a. The names of the persons who disclosed or otherwise were found to have an Outside Commitment Interest or Substantial Financial Benefit, the nature of the Outside Commitment Interest or Substantial Financial Benefit, any action taken to determine whether a Conflict of Interest was present, and the Board's decision as to whether a Conflict of Interest in fact existed; and

b. The names of the persons who were present for discussions and votes relating to the transaction, the content of the discussion, including any alternatives to the proposed transaction, and a record of any votes taken in connection with the proceedings.

**Article V
Compensation**

At the present time, no member of the Penobscot Valley Kennel Club Board receives any compensation. All members serve as volunteers. At any time members of the Board are compensated, a new Article V shall be crafted addressing compensation issues.

**Article VI
Inside Information**

a. An Interested Person shall not use inside information of the Club for his/her personal benefit, or use such inside information or his/her position as an Interested Person to the detriment of the Club. Inside information is information obtained through the Interested Person's position in the Club that has not become public information.

b. An Interested Person shall keep information learned during the course of the Club's activities in confidence when the information concerns the administration and activities of the Club that are not generally available to the public.

**Article VII
Annual Statements**

Each Interested Person shall annually sign a Disclosure Statement affirming that such person:

- a. Has received a copy of the Conflict of Interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Club is charitable 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.

CERTIFICATION

I, the undersigned, do hereby certify that the above and foregoing Conflict of Interest Policy was duly adopted on _____ by the Club at a regular meeting of the Board of Directors held on due notice and in compliance with its Bylaws at which time a quorum was present.

Suzanne Joy

(Signature) Date: _____

ADDENDUM TO CONFLICT OF INTEREST POLICY

DISCLOSURE STATEMENT REGARDING CONFLICT OF INTEREST

I, _____ hereby attest that I have been given a copy of the Conflict of Interest policy approved December 01, 2015 and that I:

- (a) Have read and understand the policy;
- (b) Have agreed to abide by the policy;
- (c) Understand that the Club is charitable 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.

Signature

Date